

8/24/77

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memo	From Lipshutz to The President (2 pp.) re: Belgrade Conference / enclosed in Hutcheson to Lipshutz 8-24-77 <i>Opened per RAC, 2/8/13</i>	8/22/77	A

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THE PRESIDENT'S SCHEDULE

Wednesday - August 24, 1977

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Mr. Frank Moore - The Oval Office.

9:00 Mr. Jack Davis, President, Rotary International.
(5 min.) (Ms. Midge Costanza) - The Oval Office.

10:10 Ambassador Robert Strauss - The Oval Office.
(10 min.)

10:30 Mr. Jody Powell - The Oval Office.

11:30 Mr. Charles Schultze - The Oval Office.

12:00 Luncheon with Campaign Economic Advisory Group.
(Mr. Stuart Eizenstat) - The Roosevelt Room.

1:30 Senator Ted Stevens. (Mr. Frank Moore).
(20 min.) The Oval Office.

2:00 Senator Spark M. Matsunaga. (Mr. Frank Moore).
(10 min.) The Oval Office.

THE WHITE HOUSE
WASHINGTON

August 24, 1977

Z. Brzezinski
Bert Lance
Tim Kraft

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

Re: PHM Program

THE WHITE HOUSE

WASHINGTON

August 24, 1977

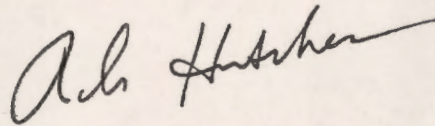
MEMORANDUM FOR
THE HONORABLE HAROLD BROWN
Secretary of Defense

Re: PHM Program

The President reviewed your memorandum of August 17 on the above subject and made the following notations:

"Harold - Send me brief summary of arguments against PHM. Then see me. J"

Please follow-up with appropriate action.

A handwritten signature in dark ink, appearing to read "Rick Hutcheson", with a stylized, cursive script.

Rick Hutcheson
Staff Secretary

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

*Note to Brown w/ Pres's
comments*

ACTION
FYI

<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input checked="" type="checkbox"/>	LANCE
<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input checked="" type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input checked="" type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

JUL 8
11 2
THE WHITE HOUSE
WASHINGTON

Mr. President:

OMB and NSC concur with
Brown.

Rick

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

Harold -
Send me
brief summary of
arguments against
PHM - Them
17 AUG 1977 See me
J

MEMORANDUM FOR THE PRESIDENT

SUBJECT: PHM Program

In accordance with our conversation of last week, this memorandum summarizes the status of the PHM program and the requirements imposed on the Executive Branch as a result of Congress not passing a rescission bill by July 23, 1977.

A PHM rescission bill, based on your May 18, 1977 PHM rescission message, was rejected by the Defense Subcommittee of the House Appropriations Committee on July 12, 1977 by a vote of 7-2. No further action was taken by the House Committee. No formal action was taken on the rescission request by the Senate Appropriations Committee. That Committee, however, supports continuation of the PHM program as evidenced by language in its report dated July 1, 1977 (DoD Appropriations Act 1978) which recommends that the available \$231,712,000 be used to construct the remaining five ships of the six ship program as previously requested by the Department of Defense.

If the Congress does not pass a rescission bill within a 45-day period, as computed in accordance with the Act, section 1012(b) of the Impoundment Control Act of 1974 requires that the budget authority proposed by the President for rescission be made available for obligation. For the PHM rescission, the 45-day period ended July 23, 1977. Since it was apparent on Friday, July 22, 1977 that Congress would not pass a rescission bill within the 45-day period, OMB apportioned the PHM funds to DoD making them available for obligation.

Accordingly, I had no alternative but to make the funds available to the Navy for contract execution. The Navy is presently preparing to sign a contract for the PHM program by mid-September. They would probably take this action sooner except for section 139 of title 10, United States Code, which requires the Department of Defense to provide a minimum thirty-day notice of intent to award a contract before award can be made. The Navy has prepared such a notification, and we anticipate submitting it to the Congress shortly.

Congress can, of course, pass a rescission bill at any time and could do so even before the existence of the Impoundment Control Act. They

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could even now pass a rescission bill for the PHM if the Executive Branch could persuade them to do so. However, in the meantime, the Act requires that we continue to execute the PHM program since the 45-day period has elapsed.

In view of the actions of the Appropriations Committees to date and in the absence of a major change in opinion, I believe it is most doubtful that either appropriation committee will report a rescission bill for the PHM. It might be possible to bypass these committees through a discharge procedure outside the Impoundment Control Act, but this would be very difficult and rare. Also, we could make another try by submitting a second PHM rescission proposal. This latter procedure has never been attempted previously and it is not clear as to how such a resubmission would be considered under congressional rules.

The actions required of me under the Impoundment Control Act to proceed with the PHM program do not preclude the possibility of pursuing rescission further. However, in my opinion, the success of obtaining a PHM rescission is most doubtful.

In retrospect, it's clear that I didn't do enough to push this rescission through the Congress. I should have lobbied harder, and made the Navy (which was divided) work its lobbying capabilities harder in favor of the rescission, by pointing out that there is a limit to the Shipbuilding budget, so that what is wasted on 50-million-dollar-a-copy PT boats will not be available for more important vessels. At this point, I believe the best (indeed the only realistic) course is to accept the congressional decision. However, I hope we can make use of the PHM case as an unfortunate example in our future attempts to persuade the congressional leadership to support our efforts to trim wasteful programs.

Harold Brown

THE WHITE HOUSE

WASHINGTON

stu -50

Date: August 20, 1977

MEMORANDUM

FOR ACTION:

Bert Lance

Stu Eizenstat *probably not - they will call on 5 p*

Frank Moore

Jack Watson *we by phone*

Zbig Brzezinski

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Memorandum from Secretary Brown dated
8/17/77 re: PHM Program

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12 NOON

DAY: Tuesday

DATE: AUGUST 23

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052).

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
	✓
	✓
✓	✓
✓	
✓	✓

MONDALE
COSTANZA
EIZENSTAT
JORDAN
LIPSHUTZ
MOORE
POWELL
WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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Carp/Huron within
48 hours; due to
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next day

	FOR STAFFING
	FOR INFORMATION
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	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
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	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
✓	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

THE WHITE HOUSE
WASHINGTON

8. 19. 77

TO. Rick Hutcheon

For Your Information: _____

For Appropriate Handling: ✓

RDZ.
Robert D. Linder

Date: August 20, 1977

MEMORANDUM

FOR ACTION:

Bert Lance
Stu Eizenstat
Frank Moore
Jack Watson
Zbig Brzezinski

FOR INFORMATION:

The Vice President

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TIME: 12 NOON

DAY: Tuesday

DATE: AUGUST 23

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☒ Your comments
Other:

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☐ I concur. ☐ No comment.
Please note other comments below:

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

17 AUG 1977

MEMORANDUM FOR THE PRESIDENT

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Harold Brown



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 23 1977

MEMORANDUM FOR RICK HUTCHESON

THROUGH: Bo Cutler *Bo Cutler*
FROM: David Sicrin/Randy Jayne *Randy Jayne*

SUBJECT: Memorandum from Secretary Brown dated 8/17/77 re:
PHM Program

OMB agrees with Secretary Brown's analysis.

MEMORANDUM

NATIONAL SECURITY COUNCIL

MEMORANDUM FOR: RICK HUTCHESON
FROM: CHRISTINE DODSON *Christine*
SUBJECT: NSC Comments re PHM Program

As noted in Secretary Brown's memo, the Department of Defense is legally obliged to make the funds voted by Congress for the PHM program available for contract execution. We agree with Secretary Brown that the chances of obtaining a PHM rescission from the Congress are most doubtful. Any attempt to resubmit a PHM rescission proposal would require a major effort by the Executive Branch, with little or no chance of success.

In light of the legal requirements for obligation of the PHM funds and the remote possibility of obtaining a rescission bill from the Congress, the NSC concurs with Secretary Brown's recommendation that the Executive Branch accept the Congressional decision and execute the PHM contract.

Date: August 20, 1977

MEMORANDUM

FOR ACTION:

Bert Lance
Stu Eizenstat
Frank Moore
Jack Watson
Zbig Brzezinski

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Memorandum from Secretary Brown dated
8/17/77 re: PHM Program

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12 NOON

DAY: Tuesday

DATE: AUGUST 23

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.☒ No comment.*Please note other comments below:*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
/		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
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	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

Name: Buford H. Reese
Address : Box 7, Plains, Georgia 31780
Phone : 912-824-4865

*Ham -
Buford wants
job
J*

Personal Data : Born-- Jakin, Georgia, 12/27/30. Age 46.
Marital Status : Married to Maxine N. Reese.
Children: Sherry 26, Larry 22, Teresa 11.
Health : Excellent. Right arm amputated above elbow.

Employment, Present: Principal, Central Junior High School,
Sumter County School System, Americus, Georgia, 31709. Seven years.

Self: Reese Mobile Home Parks, Plains and Americus.
Maxine's Food Center, Plains.
Coordinator: Parent Participation TV Workshops.
Consultant: Teachers Guides to Television.

Past: Teacher of Vocational Agriculture, Plains
High School, Plains, Georgia. Thirteen years.

Teacher of Vocational Agriculture, Miller
County High School, Colquitt, Georgia. Four years.

Professional Degrees: B.S.A., Bachelor of Science in Agriculture.
M.Ed., Master of Education.
T.S.6, Teaching Specialist, Sixth-year Level.
A.S.6, Administration And Supervision,
Sixth-Year Level.

Present and Past

Group Affiliations : G.E.A., N.E.A., G.V.A., N.V.A., Lions Club,
Phi Delta Kappa, Parliamentarian, Plains
Merchants Association. Consultant, Plains
Protocol Committee. District Director, Georgia
Association of Teachers of Agriculture.
Advisor, F.F.A. Chapters.

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for Preservation Purposes**

Present and Past Church
Affiliations :

Member, Plains Baptist Church. Former
Sunday School Teacher, Choir Member and
Song Leader. Royal Ambassador Director.

Professional Preparation:

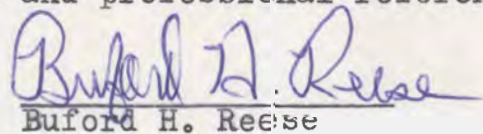
High School-- Jakin High School, Jakin,
Georgia, Graduated 1947.
Junior College--Abraham Baldwin Agricultural
College, Tifton, Georgia. Two Years, 1948-49.
Senior College--University of Georgia, Athens,
Georgia. 1949-51.
Graduate School--University of Georgia.
Advance Graduate Study--University of
Georgia.

Special Skills and
Interests:

Teaching and Supervision . Group Dynamics
including small and large group orientation
and communication.
Coordination of new and different projects,
especially as relates to television.

More details on any or all of the above will be furnished any
creditable prospective employer, including transcripts of college
credits, exam results, personal and professional references.

Signed:


Buford H. Reese

Date:

8/3/77

THE WHITE HOUSE
WASHINGTON

August 24, 1977

Landon Butler

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been forwarded to Stripping for appropriate handling.

Rick Hutcheson

cc: Stripping

RE: LETTER TO BILL WINPISINGER
RE POSSIBLE WITHDRAWAL OF
U.S. FROM ILO

X

THE WHITE HOUSE

WASHINGTON

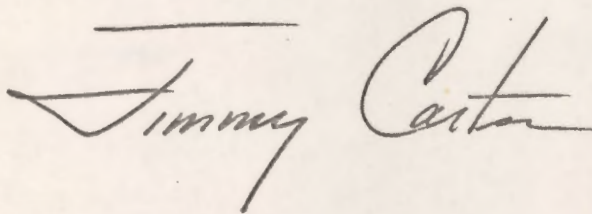
August 24, 1977

To Bill Wimpisinger

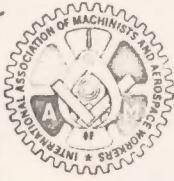
I appreciate your sharing with me your very thoughtful comments on the possible withdrawal of the United States from the International Labor Organization.

As you may know, the Cabinet Level Committee on the ILO met recently to consider the range of options available to us. Your comments will be helpful in our future deliberations.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is fluid and cursive, with a long horizontal line extending from the "J" and a large, stylized "C" for "Carter".

William W. Wimpisinger
International President
International Association of
Machinists and Aerospace Workers
Machinists Building
1300 Connecticut Avenue
Washington, DC 20036



INTERNATIONAL ASSOCIATION of MACHINISTS
and AEROSPACE WORKERS

MACHINISTS BUILDING, 1300 CONNECTICUT AVENUE, WASHINGTON, D. C. 20036

Office of the
INTERNATIONAL PRESIDENT

Area Code 202
857-5200

-78-

August 15, 1977

LB

The President
The White House
1600 Pennsylvania Avenue, N. W.
Washington, D. C. 20500

Dear Mr. President:

I urge you to support continued U. S. participation in the
International Labor Organization.

I have just returned from extensive working sessions of the
International Metalworkers Federation and the International Transport-
workers Federation, where member-nation delegates expressed apprehension
over the future of the ILO, should the U. S. withdraw.

Perhaps the compelling argument against withdrawal is the ILO's
crucial function in the world-wide struggle for human rights and
economic and social justice. To abdicate our role in this agency to
those nations less committed than America to these causes, would
virtually guarantee their success in further politicizing and deni-
grating the ILO mission.

The International Association of Machinists has maintained a high
profile of thirty (30) years duration in the international labor movement
supporting the rights of working people. With all due respect, I feel
you would be ill-advised to plunge into withdrawal, based on the position
of the leadership of the AFL-CIO, and based on a two-year old notice
initiated by the previous Administration, which was manifestly hostile
to the interests of organized labor here at home. It was an Adminis-
tration as well, whose international economic and trade policies ill-
served working people abroad, particularly those in developing and
underdeveloped countries.

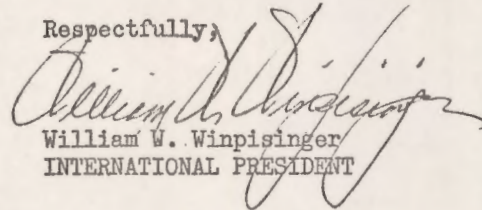
August 15, 1977

The ILO has an urgent and unfulfilled charter obligation to deliver economic and social justice. Continued U. S. participation can provide leadership essential to that delivery.

There are alternatives to withdrawal. One is extension of the withdrawal notice for another two years, during which time the U. S. delegation can continue to pursue an agenda of acceptable economic and technical assistance, while maintaining its vigilant posture against overt political opportunism. This course of action would permit a continuing and intelligent evaluation of the ILO in an atmosphere more in keeping with freedom of expression and democratic ideals, than would abrupt withdrawal.

I am confident, given full exposure of the facts and review of ILO's historic role in world affairs, that other AFL-CIO affiliates will support a move for continued participation.

Respectfully,

A handwritten signature in dark ink, appearing to read "William W. Winpisinger", is written over the typed name and title.

William W. Winpisinger
INTERNATIONAL PRESIDENT

W/bo

cc: Cyrus R. Vance, Sec. of State
Ray F. Marshall, Sec. of Labor
George Meany, Pres., AFL-CIO

THE WHITE HOUSE
WASHINGTON

August 24, 1977

Stu Eizenstat -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jim Schlesinger

Re: Spent Fuel Policy

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
	COSTANZA
X	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
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	AGENCY REPORT
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	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
X	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

August 22, 1977

*Sta -
Consult - Jim.
J
cc Schlesinger*

MEMORANDUM FOR THE PRESIDENT

FROM STU EIZENSTAT
KITTY SCHIRMER

Stu

SUBJECT SCHLESINGER MEMO ON SPENT FUEL POLICY

You asked for comments on Jim Schlesinger's memo on spent fuel policy, which we have reviewed and discussed with NSC staff, OMB, and Joe Nye at State.

The memo summarizes a longer paper developed by the NSC Ad Hoc group on non-proliferation. The policy recommended builds on your earlier decision that the U.S. would accept responsibility for both domestic and foreign spent fuel if certain conditions were met. We, along with State, OMB and NSC, believe that this policy outline is the correct one. We also recommend that implementation of this decision occur as quickly as possible since our international negotiations (particularly with Japan, Germany, and India) have reached a point where the U.S. policy on spent fuel is critical.

You should be aware of two points not raised in the Schlesinger memo, however.

1. Reprocessing Your earlier decision stated that one of the terms and conditions of accepting foreign spent fuel should be "an agreement not to reprocess." It is our understanding that this was later clarified to mean no new reprocessing. If our spent fuel policy is to have any impact on the FRG and on Japan, the agreement must be based upon a pledge not to operate new, large reprocessing facilities rather than attempt to close down their existing small reprocessing facilities. The Schlesinger memo, which states that acceptance of foreign spent fuel will occur "with appropriate limitations on the offer to be developed by negotiation" should be clarified to require an agreement to forego new reprocessing activities. *27*

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2. Storage Sites Schlesinger's memo mentions the possibility of arranging to store spent fuel at GE's facility in Morris, Illinois, and at Allied General Nuclear Services' (AGNS) Barnwell plant. Both of these facilities, while not currently operational, are reprocessing plants and storing spent fuel at such facilities could have negative appearances both domestically and internationally (even with repeated assurances that the U.S. has no interest in reprocessing). The AGNS facility is of particular concern, since it, unlike the GE plant, could be made operational.

The actual selection of sites needs further scrutiny, and should not be announced without careful consultation with State officials, members of Congress, and local groups. (For example, Butler Derrick is vehemently opposed to using Barnwell as a spent fuel site.)

I agree

Finally, given the sensitivity of the spent fuel issue, both domestically and internationally, State, NSC, OMB and we believe that substantial advance negotiation and preparation is required before official announcement of the policy is made. Prior to taking the two "Action" steps recommended in the Schlesinger memo, Joe Nye, Frank Moore, and CEQ should work with international entities, the Congress, and domestic environmental groups. The NSC Ad Hoc group should also give careful consideration to the actual language of the message to ensure that it is as clear as possible. As Schlesinger mentions in his memo, the Senate has already adopted an amendment prohibiting use of DoE funds for foreign spent fuel activities unless specifically approved by Congress. A decision will also have to be made, probably after these consultations, on whether this should be a Presidential or Secretarial announcement.

I agree

If you approve the basic policy, we will work with Schlesinger and the Ad Hoc group members to ensure that the necessary coordination is accomplished.

cc: Stu
Quick comm
J.C.

THE PRESIDENT HAS S
THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JAMES R. SCHLESINGER

SUBJECT: SPENT FUEL POLICY

Introduction

In furtherance of our discussion on spent nuclear fuel, this paper recommends the Government provide storage for domestic spent nuclear fuel after payment by a utility of a one-time fee, based on total costs for storage and permanent disposal. This would enable utilities to estimate the cost of the complete nuclear fuel cycle and remove a major uncertainty in utility planning. To reduce the pressure for recycling spent fuel and permit foreign governments to examine U.S. non-proliferation initiatives on their own merits, the Government also would offer to accept spent fuel from foreign countries.

United States' utilities have expanded on-site storage capacities in recent years. However, interim away from reactor storage facilities are needed to handle the fuel from utility storage pools prior to permanent disposal. Under current plans, utilities will need additional space starting in 1982, although one small reactor (100 MW) will run out of space in 1979. One Japanese reactor runs out of storage space in 1978. Other foreign reactors begin to run out of storage space in the early 1980's.

Capacity

The U.S. Government has no facilities licensed to store spent commercial fuel, nor does it have much excess unlicensed capacity. Small amounts of storage could be made available on an emergency basis. To develop the interim storage needed by domestic utilities and to provide space for foreign fuel, existing government facilities must be expanded, new government or private capacity built, or existing commercial facilities leased.

THE WHITE HOUSE
WASHINGTON

August 24, 1977

Stu Eizenstat -

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

Re: Speech Presented at John Lewis'
Testimonial

THE WHITE HOUSE
WASHINGTON

copy for our files - send
original back to stu

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION
FYI

<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	COSTANZA
<input checked="" type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	LIPSHUTZ
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<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input type="checkbox"/>	LANCE
<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
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<input type="checkbox"/>	FALLOWS
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<input type="checkbox"/>	JAGODA
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<input type="checkbox"/>	MITCHELL
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<input type="checkbox"/>	PETERSON
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<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE
WASHINGTON

August 22, 1977

*Stu.
This was exactly
the right speech.
Jimmy*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Speech Presented at John Lewis'
Testimonial

Attached is a copy of the speech which I wrote, and gave at John Lewis' testimonial dinner, and an article in the ATLANTA CONSTITUTION on the speech. I think it followed the outline which you suggested in your note to me about this speech.

You will note the handwritten addition on the speech which I added before giving it.

~~CONFIDENTIAL~~

JOHN LEWIS: ^{He is a} HERO OF A QUIET REVOLUTION

Rep. C. King, M. King, Mayor Jackson, William & John, friends

IT'S A GREAT HONOR TO BE ASKED ^{to come here & be among friends} TO GIVE TESTIMONY
TO A GREAT MAN -- AND JOHN LEWIS IS A GREAT MAN ^{& a beautiful person}

THE COURSE OF HIS LIFE HAS FOLLOWED THE HISTORY
OF OUR COUNTRY IN THE LAST 2 DECADES -- INDEED IT HAS
HELPED MAKE THAT HISTORY.

JOHN LEWIS' LIFE AND WORK REFLECT THE BEST IN
THE AMERICAN SPIRIT. JOHN SETS AN EXAMPLE BY DOING,
NOT JUST TALKING. HE UNIQUELY COMBINES AN INNER
TOUGHNESS AND COURAGE WITH A QUIETNESS AND HUMBLENESS
OF SPIRIT.

JOHN HAS HELPED LEAD THE COUNTRY AND THE PEOPLE
HE LOVES THROUGH A "QUIET REVOLUTION" IN CIVIL RIGHTS
WHICH HISTORIANS WILL NOTE WAS AMONG THE MOST IMPORTANT
PERIODS OF WORLD HISTORY -- A REVOLUTION NOT OF GUNS
BUT OF PRAYERS; A REVOLUTION NOT OF MIGHT BUT OF
RIGHT; A REVOLUTION WON NOT BY TACTICS OR STRATEGY
BUT BY THE BASIC CORRECTNESS OF THE CAUSE AND BY
LEADERS LIKE JOHN LEWIS WHO PIERCED THE CONSCIENCE
OF AMERICA WITH THAT CAUSE.

WHEN JOHN WAS BORN 37 YEARS AGO IN TROY, ALABAMA, THIS COUNTRY WAS ON THE BRINK OF ENTERING A WAR TO ONCE AGAIN MAKE THE WORLD SAFE FOR DEMOCRACY. AND YET OUR OWN DEMOCRACY WAS FLAWED BY ~~THE~~ RANK DISCRIMINATION AGAINST BLACK AMERICANS. THIRTY-SEVEN YEARS AGO IT WAS CONSIDERED ALRIGHT FOR BLACK AMERICANS TO DIE IN BATTLE TO PROTECT THEIR COUNTRY AND THE WORLD -- BUT NOT TO BE ABLE TO VOTE OR TRAVEL WITHOUT FEAR ~~AND~~^{OR} TO EAT AND ~~SIT~~^{REST} WHERE THEY PLEASED.

THIRTY-SEVEN YEARS AGO -- INDEED 17 YEARS AGO -- YOU AND I COULD NOT HAVE BROKEN BREAD TOGETHER IN A PUBLIC FACILITY IN THIS GREAT CITY AS WE DO TONIGHT. OUR CHILDREN COULD NOT HAVE HAD THE OPPORTUNITY TO GO TO SCHOOL TOGETHER. WE WOULD HAVE HAD DIFFICULTY WORKING FOR THE SAME CANDIDATES FOR PUBLIC OFFICE.

THAT HAS ALL CHANGED NOW. IT SEEMS LIKE ANCIENT HISTORY -- BUT IT'S NOT. IT'S A HISTORY WHICH PARALLELS THE LIFE OF JOHN LEWIS.

DR. MARTIN LUTHER KING,^{SR. & JR.} ANDY YOUNG, JOHN LEWIS, AND COUNTLESS OTHERS, REALIZED THAT THE BARRIERS TO AN OPEN SOCIETY WOULD NEVER FALL FROM WORDS OR LENGTHY COURT SUITS ALONE. SOMETHING ELSE WAS NECESSARY.

AT A TIME WHEN MOST OF MY GENERATION WAS MORE CONCERNED ABOUT FRATERNITY LIFE AND NEXT WEEK'S COLLEGE FOOTBALL GAME, JOHN ROBERT LEWIS WAS ALSO IN COLLEGE -- STUDYING RELIGION AND PHILOSOPHY AT FISK AND AMERICAN BAPTIST SEMINARY IN NASHVILLE; ^{BUT} HIS CONCERNS WERE OF A DIFFERENT MAGNITUDE. WHEN HE WAS BARELY OVER 20 HE HELPED FORM THE STUDENT NON-VIOLENT COORDINATING COMMITTEE AND LED A SERIES OF SIT-INS IN NASHVILLE AND ELSEWHERE TO PROTEST SEGREGATED PUBLIC FACILITIES. THIS SPARKED SIMILAR ACTIONS THROUGHOUT THE SOUTH, INCLUDING IN GREENSBORO, NORTH CAROLINA. I VIVIDLY REMEMBER GOING TO A COLLEGE LECTURE IN THE EARLY 1960'S, WHEN I WAS ~~AT THE UNIVERSITY OF NORTH CAROLINA~~ AT THE UNIVERSITY OF NORTH CAROLINA, GIVEN BY THE GREAT FRANK PORTER GRAHAM, THE FORMER PRESIDENT OF THE UNIVERSITY OF NORTH CAROLINA. HE RESPONDED TO CONSERVATIVE CRITICISM THAT THESE SIT-INS EMANATED FROM MOSCOW -- BY SAYING, IN HIS INIMITABLE WAY, "HELL THEY DIDN'T START IN MOSCOW -- THEY STARTED RIGHT IN GREENSBORO."

I ALSO REMEMBER A YOUNG COLLEGE STUDENT AT U.N.C. GOING TO EAT WITH SOME FRIENDS ONE SUNDAY IN ~~1961 OR~~ 1962 AT HOWARD JOHNSON'S IN DURHAM AND NOT BEING ABLE TO GET IN BECAUSE OF BLACK STUDENTS SITTING-IN.

IT WAS THAT STUDENT'S FIRST SIGHT OF A SIT-IN. THOUGH HE HAD LIVED IN THE SOUTH ALMOST EVERY DAY OF HIS LIFE, IT TOOK A WHILE FOR HIM TO UNDERSTAND WHAT THE PROTEST WAS ABOUT -- BUT ONCE THE ACTIONS JOHN LEWIS SPARKED ~~SPARKED~~^{Scared} HIS CONSCIENCE IT HELPED CHANGE HIS LIFE -- AND THAT OF MILLIONS OF OTHERS THROUGHOUT THE SOUTH. FOR THAT JOHN I OWE YOU A PERSONAL DEBT OF GRATITUDE AS DO MILLIONS OF OTHER WHITES IN THE SOUTH.

JOHN'S WAS NOT A VICTORY QUICKLY AND EASILY WON. LET'S NOT ~~BE~~^{ALLOW} OUR DIM MEMORIES ^{TO} EASE THE PAIN JOHN WENT THROUGH. HE WAS JAILED 40 SEPARATE TIMES FOR TRYING TO ALLOW HIS PEOPLE THE PRIVILEGE OF WALKING INTO A PUBLIC THEATRE OR RESTAURANT OR HOTEL. HE RISKED HIS LIFE TIME AND AGAIN INCLUDING A SHOWDOWN IN 1965 WITH SHERIFF CLARK. BUT HE NEVER LOST HIS CONFIDENCE IN AMERICA, IN OUR SYSTEM, AND IN THE BASIC DECENCY OF OUR PEOPLE.

WHEN THE RIGHT TO PUBLIC ACCOMMODATIONS WAS SECURED THROUGH THE 1964 CIVIL RIGHTS ACT, AS A DIRECT OUTGROWTH OF THE SACRIFICES JOHN, DR. KING AND OTHERS MADE, HE DIDN'T REST -- HE MOVED ON TO WHAT WAS TO BECOME THE NEXT IMPORTANT PHASE IN HIS LIFE -- THE DRIVE FOR EQUAL VOTING RIGHTS FOR BLACKS. *John understood that the power of the ballot box is the ultimate instrument of power in our democracy.*

MARCH 7, 1965 WAS WHAT JOHN HIMSELF HAS DESCRIBED TO ME AS A "TURNING POINT IN AMERICAN HISTORY" -- THE MARCH FROM SELMA TO MONTGOMERY. DURING THAT MARCH, IN WHICH HE REPRESENTED S.N.C.C. AS ITS CHAIRMAN, HE WAS BEATEN AND GASSED, AND HOSPITALIZED FOR DAYS WITH A CONCUSSION RECEIVED FROM A BILLY-CLUB OF AN ALABAMA STATE TROOPER. HE TOLD ME HE THOUGHT IT WAS THE LAST DAY OF HIS LIFE.

ONE WEEK AFTER THAT HISTORIC MARCH, PRESIDENT JOHNSON CALLED ON THE AROUSED CONSCIENCE OF AMERICA AND THE CONGRESS TO PASS LAWS SECURING VOTING RIGHTS FOR BLACK AMERICANS. THE VOTING RIGHTS ACT OF 1965 BECAME THE MOST IMPORTANT VEHICLE FOR THE QUIET REVOLUTION EACH ONE OF US IN THIS ROOM HAS LIVED THROUGH.

JOHN LEWIS HAS NEVER FELT THAT THIS WAS A REVOLUTION WHICH ENDED. HE REALIZED IT WAS ONE WHICH CONTINUES EVERY DAY, THE CONTINUED PERFECTION OF WHICH REQUIRES DAILY TOIL IN THE VINEYARDS, AND DAILY SACRIFICES.

AFTER HIS 3 YEAR TENURE AS CHAIRMAN OF S.N.C.C. HE SPENT TWO YEARS WITH THE FIELD FOUNDATION IN THE AREAS OF RACE RELATIONS AND CHILD WELFARE AND THREE YEARS WITH THE SOUTHERN REGIONAL COUNCIL ORGANIZING CREDIT UNIONS AND COOPERATIVES AMONG POOR PEOPLE IN THE RURAL SOUTH.

HIS RISE TO ^{even greater} NATIONAL PROMINENCE CAME BETWEEN 1970 AND 1977 WHEN HE WAS WITH THE VOTER EDUCATION PROJECT -- AND WAS SYNONYMOUS WITH IT. HE LOGGED THOUSANDS OF MILES, TOOK HIS LIFE INTO JEOPARDY TIME AND TIME AGAIN TO SECURE THE FRUITS PROMISED BY THE VOTING RIGHTS ACT OF 1965. HE TOOK HIS PROGRAM TO THE PEOPLE ^{regardless of the danger to his life} -- GOING TO UP TO 13 COUNTIES PER DAY.

HIS SUCCESS IS ASTOUNDING. DURING THAT 7 YEAR PERIOD, 4 MILLION BLACK CITIZENS WERE REGISTERED TO VOTE IN THE SOUTH; THE NUMBER OF BLACK ELECTED OFFICIALS IN THE SOUTH ROSE FROM 700 TO 3,000. THE POWER OF THE BALLOT BOX BECAME SUCH THAT JOHN SAYS HE WAS WELCOMED IN LATER YEARS INTO COMMUNITIES BY THE SAME LOCAL ELECTED OFFICIALS WHO HAD BITTERLY FOUGHT HIM EARLIER.

JOHN'S MONUMENTAL EFFORTS WITH THE VOTER EDUCATION PROJECT HAD ANOTHER IMPACT THAT YOU AND I WITNESSED ONLY 9 MONTHS AGO. THE VOTING ~~REPRESENTATION~~ OF BLACKS IN RECORD NUMBERS MADE POSSIBLE THE ELECTION OF A WHITE SOUTHERNER TO THE HIGHEST OFFICE IN THE LAND. THE QUIET REVOLUTION WHICH DR. KING AND ANDY YOUNG AND JOHN LEWIS LED, WAS SIGNIFICANTLY RESPONSIBLE FOR THE ELECTION OF JIMMY CARTER. THIS IS A TRUST WE, IN THE CARTER ADMINISTRATION, ACKNOWLEDGE -- WILL NEVER TAKE FOR GRANTED -- AND WHICH WE ARE DAILY FULFILLING.

✓ IT IS JUST AND FITTING, JOHN, THAT PRESIDENT CARTER HAS ACKNOWLEDGED HIS CONFIDENCE IN YOU AND THE WORK YOU DID BY NAMING YOU TO BE ASSOCIATE DIRECTOR OF ACTION --- TO HEAD ALL THE COUNTRY'S DOMESTIC VOLUNTARY EFFORTS AT A NATIONAL LEVEL. THE SENATE OF THE UNITED STATES, ~~WITH THE SPONSORSHIP OF SENATOR TALMADGE (AND THE STRONG SUPPORT OF SENATOR KENNEDY)~~ HAS NOW

CONFIRMED YOU FOR THAT POST. *Thus you now embark on another chapter of a life already filled with accomplishment.*

WHEN JOHN TESTIFIED BEFORE THE SENATE ON HIS NOMINATION HE SAID THAT HE SAW "THIS APPOINTMENT AS A CONTINUATION OF MY LIFE WORK TO BUILD A BELOVED COMMUNITY, A COMMUNITY AT PEACE WITH ITSELF."

JOHN, YOU ARE FORTUNATE INDEED. FOR IT HAS BEEN THE HISTORY AND MISFORTUNE OF MANY GREAT LEADERS, FROM MOSES TO GANDHI TO DR. KING, NOT TO BE PERMITTED BY GOD OR FATE TO SEE THE FULL BLOOM OF THEIR WORK. YOU HAVE THIS OPPORTUNITY. YOU CAN MAKE THE QUIET REVOLUTION YOU HELPED BEGIN BECOME MORE AND MORE A LIVING REALITY EVERYDAY.

IN HIS POWERFUL POSITION JOHN PRESIDES OVER A BUDGET OF \$118 MILLION -- INCREASED 10% BY PRESIDENT CARTER. HE WILL COORDINATE PROGRAMS LIKE VISTA (~~WHICH PRESIDENT FORD WANTED PHASED OUT~~) WITH 4000 FULL-TIME VOLUNTEERS -- ~~36~~ ~~HERE IN ATLANTA~~; THIS PROGRAM CHANNELS THE IDEALISM OF VOLUNTEERS OF ALL AGES INTO HOUSING REHABILITATION, TECHNICAL ASSISTANCE TO POVERTY STRICKEN AREAS, CO-OPS AND CREDIT UNIONS, PRISON ~~EX~~ COUNSELING AND WORK RELEASE

PROGRAMS. HE WILL BE GUIDING 250,000 SENIOR CITIZENS NATIONWIDE IN PROGRAMS LIKE FOSTER GRANDPARENTS, RSVP (RETIRED SENIOR VOLUNTEER PROGRAM) AND THE SENIOR COMPANION PROGRAM, WHICH PROVIDES MEANING TO THE LIVES OF SENIOR CITIZENS BY MAKING THEM USEFUL VOLUNTEERS IN ENHANCING THE LIVES OF CRIPPLED CHILDREN, POOR PEOPLE IN NEED OF GOVERNMENT SERVICES, AND OF OTHER LONELY ELDERLY PERSONS. HE WILL BE IN CHARGE OF THOUSANDS OF DOLLARS IN GRANTS TO LOCAL AND STATEWIDE ORGANIZATIONS FOR VOLUNTEER PROGRAMS.

JOHN WILL BE A PROUD ADDITION TO AN ALREADY PROUD ADMINISTRATION. IN YOUR CONFIRMATION STATEMENT, JOHN, YOU SAID YOU WOULD CONTINUE YOUR "COMMITMENT TO THE NEGLECTED SEGMENTS OF OUR SOCIETY THAT HAVE BEEN LEFT OUT AND LEFT BEHIND."

THE CARTER ADMINISTRATION, OF WHICH YOU ARE A PART, AND PRESIDENT CARTER HIMSELF, ARE OF A KINDRED SPIRIT WITH YOU -- AND OUR ACTIONS HAVE SHOWN IT. THE FACTS ARE UNDENIABLE:

① IN THE AREA OF CIVIL RIGHTS, THE HEAD OF THE CIVIL RIGHTS DIVISION OF THE JUSTICE DEPARTMENT -- FOR THE FIRST TIME IN HISTORY -- IS A BLACK, WITH A BACKGROUND OF CIVIL RIGHTS ACTIVITY WITH THE N.A.A.C.P.; AND THE SOLICITOR GENERAL WHO ARGUES THE FEDERAL GOVERNMENT'S CASES BEFORE THE SUPREME COURT WAS A DISTINGUISHED BLACK JURIST; BROAD

GUIDELINES HAVE BEEN ISSUED WHICH EXTEND FULL CIVIL RIGHTS TO THE HANDICAPPED; ADDITIONAL FUNDS HAVE BEEN OBTAINED FOR THE CIVIL RIGHTS DIVISION OF THE JUSTICE DEPARTMENT; THE FIRST STATEWIDE SUIT TO ASSURE EQUAL EMPLOYMENT OF BLACKS AND WOMEN IN POLICE AND FIRE DEPARTMENTS HAS BEEN FILED; MEANINGFUL GUIDELINES HAVE BEEN ~~ENACTED~~^{promulgated} BY H.E.W. FOR THE DESEGREGATION OF HIGHER EDUCATION INSTITUTIONS IN SEVERAL SOUTHERN STATES; THE PRESIDENT HAS REPEATEDLY URGED THE AGENCIES OF THE EXECUTIVE BRANCH TO AFFIRMATIVELY SEEK OUT BLACKS AND WOMEN FOR HIGH-LEVEL JOBS; AND THE LABOR DEPARTMENT ONLY THIS WEEK HAS BEGUN ^{and made it clear federal funds will be denied to recipients who discriminate on the basis of race or sex.} A MAJOR CRACKDOWN TO INSURE THAT ^{Those in} THE CONSTRUCTION INDUSTRY RECEIVING FEDERAL FUNDS HIRES WOMEN AND MINORITIES IN AN AFFIRMATIVE FASHION.

~~THE~~ TO EXPAND ON THE PIONEERING WORK JOHN LEWIS AND THE V.E.P. DID IN VOTER REGISTRATION, THE PRESIDENT PROPOSED UNIVERSAL VOTER REGISTRATION, SO THE POOR AND DISENFRANCHISED WILL HAVE THE LAST REMAINING BARRIERS TO VOTING RIGHTS TORN DOWN.

^{We're fighting against tough, organized bigbusiness interests to limit a small}
(2) IN MANY RESPECTS, I'M SURE JOHN WILL AGREE WITH ME THAT THE FULFILLMENT OF HIS WORK DEPENDS ON JOBS AND ECONOMIC SECURITY FOR THE DISADVANTAGED. PUBLIC ACCOMMODATIONS RIGHTS MEAN LITTLE IF YOU CAN'T AFFORD THE COST OF A MEAL. ^{Our hope is to move toward a balanced budget by the people's work} TO INSURE THIS, IN THE FIRST NINE MONTHS THE CARTER ADMINISTRATION HAS DONE THE FOLLOWING, WITH THE CLOSE COOPERATION OF CONGRESS:

Consumer Agency
so you ~~can~~
can have a voice in
gov't decisions
as consumers -
just as org. lobbyists
do now. They've
had the field to
themselves for too
long: it's time for
the people to have a
voice.

✓ (A) ~~WITH THE HELP OF SENATORS TALMADGE AND KENNEDY~~, WE SECURED PASSAGE OF A MASSIVE \$4 BILLION, 2-YEAR PUBLIC WORKS JOBS BILL WHICH WILL CREATE TENS OF THOUSANDS OF JOBS AND PERMIT MUNICIPALITIES TO BUILD LONG-AWAITED AND NEEDED PUBLIC FACILITIES. TO MAKE THIS PROGRAM *particularly* MEANINGFUL TO MINORITIES, 10% OF THE FUNDS WILL BE CHANNELLED TO MINORITY CONTRACTORS AND SUPPLIERS -- FULLY \$400 MILLION TO MINORITY BUSINESSMEN AND WOMEN. THE FIRST CONTRACTS UNDER THIS PROGRAM WERE SIGNED A FEW WEEKS AGO -- AND 1000 CONTRACTS PER WEEK ARE BEING ~~being~~ *executed now.*

(B) THE PRESIDENT, WITH THE HELP OF CONGRESS, HAS MORE THAN DOUBLED THE NUMBER OF EXISTING PUBLIC SERVICE JOB SLOTS -- FROM 310,000 NOW TO 725,000 BY THE END OF THE NEXT FISCAL YEAR. WE'RE ADDING 15,000 PUBLIC SERVICE JOBS PER WEEK -- AN UNPRECEDENTED RATE. THAT'S REAL JOBS FOR PEOPLE IN REAL NEED.

(C) ONLY TWO WEEKS AGO THE PRESIDENT SIGNED INTO LAW THE \$1.5 BILLION YOUTH EMPLOYMENT PROPOSAL WE SENT TO CONGRESS, TO CREATE 1/4 MILLION JOBS FOR YOUNG PEOPLE -- TO GO WITH THE 1.1 MILLION SUMMER YOUTH JOBS ^{*The President*} ~~WE~~ APPROVED EARLIER.

(D) AS YOU'VE READ ^{*Last Week*} WE ~~WE~~ PROPOSED THE MOST COMPREHENSIVE AND HUMANE WELFARE REFORM PROGRAM ~~WE~~ IN THIS COUNTRY'S HISTORY -- WITH AN EMPHASIS ON JOB OPPORTUNITY FOR THOSE WHO CAN AND SHOULD WORK -- 1,400,000 PUBLIC SERVICE JOBS -- AND DIGNITY FOR THOSE UNABLE TO WORK.

Under our proposal, work will always be more financially rewarding than welfare -- and private jobs more attractive than subsidized public service jobs. The working poor will receive a big boost to ~~the~~ ~~out~~ of welfare by a \$3.3 billion ~~in~~ ~~the~~ ~~additional~~ ~~income~~ ~~to~~ ~~credit~~.

(E) THE CONGRESS WILL SOON HAVE TO THE PRESIDENT A BILL WHICH WILL CONTAIN ONE OF THE MOST SIGNIFICANT REFORMS THE PRESIDENT HAS PROPOSED TO AID THE POOR AND DISADVANTAGED -- ELIMINATION OF THE PURCHASE REQUIREMENT FOR THE FOOD STAMP PROGRAM, WHICH WILL MAKE THE PROGRAM AVAILABLE FOR THE FIRST TIME ~~FOR~~ THOSE TOO POOR TO AFFORD THE COST OF STAMPS.

(F) ~~WILL BE~~ ^{President Carter has} PROPOSED -- AND CONGRESS IS GIVING US -- A MASSIVE INCREASE IN FUNDS FOR DISADVANTAGED KIDS UNDER TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT.

(G) WE'VE ~~PROPOSED~~ ^{recommended} A PROGRAM TO IMMUNIZE 5 1/2 MILLION LOW INCOME CHILDREN IN THE NEXT 30 MONTHS AND TO INCREASE ~~8~~-FOLD THE NUMBER OF LOW INCOME KIDS GIVEN PRE-SCREENING FOR HEALTH PROBLEMS OVER THE NEXT FIVE YEARS.

(H) ~~that~~ ^{which} ~~has already~~ ^{has already} signed into law a tax reduction of over 25% for a family

3. TO HELP THE CITIES WHERE MOST OF OUR NATION'S

POOR LIVE WE'VE:

(A) BUILT MASSIVE FISCAL RELIEF INTO OUR WELFARE REFORM PROPOSAL - AROUND 2 1/2 BILLION DOLLARS.

(B) PROPOSED AND SIGNED INTO LAW A \$1.5 BILLION INCREASE IN COUNTER-CYCLICAL REVENUE SHARING FOR HARD-PRESSED CITIES AND STATES.

(C) PROPOSED A 1/2 BILLION DOLLAR INCREASE IN BUDGET AUTHORITY FOR THE COMMUNITY BLOCK GRANT PROGRAM INCLUDING A SPECIAL ACTION GRANT PROGRAM TO PERMIT SECRETARY HARRIS TO TARGET AID TO DISTRESSED CITIES AND TO

Earning \$10,000 per year
and the tax reform
package will present
to Congress before their
October recess will
offer still further
tax reductions and
relief for the
average taxpayer.

(I) Next year
we'll present to
Congress the
nat'l health
insurance plan
the President proposed
during the campaign.

LEVERAGE PRIVATE INVESTMENT. THIS WILL BE GOOD NEWS FOR
MAYOR JACKSON AND DAVEY GIBSON.

(D) RETARGETED EXISTING PROGRAMS TO CITIES OF
GREATEST NEED.

(E) IMPOSED A MORATORIUM ON EVICTIONS FROM HUD-
OWNED PROPERTIES.

THESE ACTIONS HAVE NOT BEEN UNDERTAKEN HAPHAZARDLY.
THEY ARE A PART OF A COORDINATED EFFORT BY THE PRESIDENT
TO DEAL WITH THE MAJOR PROBLEMS OF THIS COUNTRY. WE'VE
ALREADY ATTACKED -- DIRECTLY AND AGGRESSIVELY -- SOME
OF THE MAJOR PROBLEMS FACING THIS COUNTRY -- WITH ~~comprehensive~~,
PROGRESSIVE ANSWERS -- ENERGY, SOCIAL SECURITY FINANCING,
JOBS, UNDOCUMENTED ALIENS, ^{welfare,} HEALTH CARE COSTS THROUGH COST
CONTAINMENT LEGISLATION (~~WHICH SENATORS KENNEDY AND TALMADGE~~
~~HAVE LONG CHAMPIONED~~) AND MANY OTHERS. *We ~~have~~ will have a unified urban*
policy ready for the American people before the end of the next session of Congress - this is our
nation's history. THE ADMINISTRATION HAS MOVED JUST AS AGGRESSIVELY
IN THE AREA OF FOREIGN AFFAIRS. THE PRESIDENT'S ~~emphasis~~ ^{emphasis}
ON HUMAN RIGHTS AGAIN PUTS THIS NATION ON THE RIGHT SIDE
OF WORLD ISSUES -- AND COUNTRY AFTER COUNTRY IS MAKING EFFORTS
TO ACCOMMODATE THAT POLICY -- CHILE, ARGENTINA, BRAZIL AND
MANY OTHERS. WE'RE STANDING UP ON THE RIGHT SIDE FOR A
CHANGE -- FOR MAJORITY RULE IN AFRICA, FOR AN END TO
REPRESSION EVERYWHERE.

AND WE'RE PARTICULARLY PROUD THAT THE SYMBOL OF
A NEW AMERICAN FOREIGN POLICY IS OUR OWN ANDY YOUNG
WHO IS BRINGING A BREATH OF IDEALISM ON BEHALF OF
AMERICA AROUND THE WORLD. HIS RECENTLY COMPLETED TRIP ^{immensely successful}
IN

TO THE CARIBBEAN HAS HELPED ESTABLISH BONDS ~~OF~~ FRIENDSHIP
WITH COUNTRIES LIKE GUYANA WHERE THEY HAVE BEEN NOTICEABLY
LACKING *before*.

AS LONG AS THERE ARE PROBLEMS UNMET, DEPRIVED PEOPLE
UNHELPED, DREAMS UNREALIZED, THIS ADMINISTRATION WILL BE
WORKING ^{for you} DAY AND NIGHT. ^{Change can't come overnight - but we're turning a bright} I'M PROUD TO BE HERE ON BEHALF ^{new page}
OF THE PRESIDENT OF THE UNITED STATES TO ASK YOU TO JOIN ^{in American}
HANDS WITH ^{us} ~~ME~~ AND WITH JOHN LEWIS TO HELP ~~ME~~ IN OUR FIGHT ^{history -}
AGAINST POVERTY AND DEPRIVATION. WE DO THIS, IN JOHN F. ^{and you hear}
KENNEDY'S PHRASE, ASKING FOR GOD'S BLESSING, BUT ^{gave us the}
KNOWING THAT ON THIS EARTH, GOD'S WORK MUST TRULY BE ^{opportunity.}
OUR OWN. ^{As President}

REMARKS BY STUART E. EIZENSTAT
TESTIMONIAL DINNER HONORING JOHN LEWIS
AUGUST 20, 1977
HYATT REGENCY HOTEL
ATLANTA, GEORGIA

^{said, we haven't}
^{done all we want to}
^{do yet and we haven't}
^{done all we're going}
^{to do. But we've}
^{begun.}

POLITICS AND PEOPLE

By JIM MERRINER
Constitution Political Editor

Black Leaders Here Stick With Carter

Atlanta's black leadership stuck with Jimmy Carter through thick and thin (and some of it got pretty thin) throughout the campaign last year, and apparently Carter is trying to keep the city's black leaders on his side, as he fights off charges of having turned his back on the needs of black America.



Merriner

Carter dispatched Stu Eizenstat, a former Atlanta lawyer and now the President's chief domestic policy adviser, to Atlanta last weekend to reassure the local black establishment of the administration's faith and good works.

The occasion was a dinner to raise money to chip away at the campaign debt of John Lewis, the civil rights leader who lost a congressional bid and has just joined the Carter administration.

Eizenstat, a severe-looking yet amiable young campaign veteran, offered a precise outline, as is his style, of Carter's programs for rights and jobs.

Kidded later about his missed opportunity of debating Vernon Jordan—who was scheduled to appear at the dinner but didn't make it—Eizenstat said the laundry list of programs was "the only rebuttal I know how to make" because "people don't know the facts" about Carter's commitments.

It was Jordan, head of the National Urban League, who first jumped on Carter for allegedly letting down his black supporters by neglecting social needs for fiscal caution.

For Carter's liberal critics, as long as we have unmet social needs balanced budgets are sweet, but those unbalanced are sweeter.

Carter's response to Jordan's critique was to lash back at him personally. The Eizenstat speech would seem to represent a belated effort by the White House to reinforce backing from Atlanta's black leaders—the group that certified Carter as okay when the rest of the country thought he was just another cracker.

The speech was well received by the 300 or so Lewis supporters in the Hyatt Regency ballroom, and Eizenstat got a standing ovation. However, it was hard to gauge the firmness of the indirect applause for Carter, for the room was so full of genuine affection for Lewis and his magnificent career.

Eizenstat himself told a moving anecdote about how, as a University of North Carolina student, he stumbled across the first sit-in he ever saw. He didn't understand what it was about, "but once the actions John Lewis sparked set into (my) conscience it helped change (my) life. . . . You helped lift a yoke from our backs."

For his part, Lewis told about how, in the bad old days in Washington under Nixon, "you passed by the White House and you just didn't want to look in, you know? . . . Now it is a different feeling. It makes you feel good."

Then Daddy King, whose literal embrace of Carter in Central City Park during the height of the "ethnic purity" controversy probably saved the Pennsylvania primary for the candidate, sang the praises of Eizenstat's speech. "If he ever made a better speech, I'm gonna shoot him," he said. So Carter still has Daddy King by his side, and he's got John Lewis, Andy Young and Bill Allison on his payroll, and he's

State Helmet Law Faces Challenge

By United Press International

The state's motorcycle helmet law is expected to come under attack — once again — in the 1978 General Assembly.

Sen. Lawrence (Bud) Stumbaugh, D-Stone Mountain, said Sunday he plans to introduce a bill on the first day of the session to repeal the state's helmet regulation.

"I've been looking at ways to reduce the number of laws on our books and I feel this is one (law) that can be done without," Stumbaugh said.

He said the state "probably shouldn't dictate to someone how to take care of themselves" and that "you ought to have the right in a free society to decide if you want to wear a helmet."

But Sen. Steve Reynolds, D-Lawrenceville, said he was opposed to eliminating the helmet law, which he considers an important safety measure.

Although some critics claim that the state should not require helmets because it does not mandate car seatbelts, Reynolds took a different view.

"When a person gets killed on a motorcycle and the family goes on welfare, the state does get into it," said Reynolds, chairman of the Senate Transportation Committee.

Reynolds said an amendment to throw out the helmet law was defeated in the 1977 legislature.

Paid Advertisement

PUBLIC INVITED — 8 P.M.

Free Lecture Tonight 'How You Can Make Money'

ATLANTA (Special) — The public is invited to attend a revealing FREE lecture, entitled "How You Can Make Money in Real Estate." The informative, free lecture clearly explains many proven income-producing techniques that can be used by anyone, regardless of financial status or previous experience.

This timely, eye-opening FREE lecture will be held at 8 p.m. this week only (see locations below). There are no educational or age requirements. Everyone is invited. Bring your spouse. Come as you are.

Famous Lecturer Tells "How"

The enlightening lecture will be conducted by nationally famous author-lecturer Phillip W. Psalmonds. He will explain in his easy-to-understand manner the most simple, safe, and sure methods of making money in many phases of real estate.

You will also be told how to save money when purchasing a home and how to make money when selling your home.

Make Money In Your Spare Time

Psalmonds will explain in simple detail how almost anyone, in his spare time, can easily begin making money. Best of all, to start, it takes little or no investment. The lecture is strictly educational. NO investments will be offered or sold.

Many Opportunities For Everyone

The purpose of this free lecture is to expose the public to the many extremely profitable money-making opportunities that exist all around you. It also serves as an introduction to a dynamic "one-day seminar". Mr. Psalmonds will show you at the seminar the simple step-by-step details of how YOU can easily take advantage of the (varied) real estate opportunities. "Just as the experts do!"

"You will learn how easy it is for almost anyone to gain financial independence today.

Free Lecture 8 P.M. Tonight, Tues., & Wed.

The FREE lecture (no obligation) will be held this week only at the following Hotels at 8 P.M.:

MONDAY 8 P.M., at DUNFEY'S ROYAL COACH INN, I-75 at Howell Mill Rd., Atlanta.

TUESDAY, 8 P.M., at the MARRIOTT HOTEL PERIMETER CENTER, I-285 at Ashford-Dunwoody Rd., No. Atlanta.

THE WHITE HOUSE
WASHINGTON

August 24, 1977

Hamilton Jordan
Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

CONVERSATION WITH SENATOR BYRD
ON PANAMA CANAL AND SENATOR
RANDOLPH
UAW and AFL-CIO SUPPORT

THE WHITE HOUSE
WASHINGTON

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	IMMEDIATE TURNAROUND

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		MONDALE
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		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
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	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
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	HARDEN
	HUTCHESON
	JAGODA
	KING

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	LINDER
	MITCHELL
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	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

August 23, 1977

Q
/

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*

SUBJECT: SENATOR ROBERT BYRD

In a subsequent conversation with Senator Byrd today, he said he is neither for nor against the Panama Canal but he may end up voting for it; he just wanted to help you get the Treaty passed. Translated, this means Byrd has decided to vote for it and will put himself out front at the most advantageous time for himself, probably a Saturday press conference. Parenthetically, he also said not to depend on him to get Senator Randolph's vote from him as he has in the past--that we should work Randolph independently as Randolph is up this year. *have done so*

Byrd also suggests signing of the Treaty Wednesday morning, September 7, with a dinner that night not beginning before 8:00 p.m. to allow the Senate to get as far as possible into the coal conversion bill on their first day back so they can complete it on Thursday night, September 8.

(Dictated, but not read)

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

August 23, 1977

Good
J

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM*

One additional piece of information--I had lunch with the UAW and AFL-CIO people today. Your call to Mr. Meany yesterday generated a resolution^{to} be passed by the Executive Council next Monday, Tuesday ~~and~~_{or} Wednesday in support of the treaties.

The UAW will also come out in support of the treaties next week.

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THE WHITE HOUSE
WASHINGTON
August 24, 1977

Stu Eizenstat
Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jack Watson
Hamilton Jordan
The Vice President
RE: MAJOR LEGISLATION REMAINING
FOR FIRST SESSION.

THE WHITE HOUSE
WASHINGTON

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	VOORDE
	WARREN

THE PRESIDENT HAS SEEN. *To Frank
Stu Senate agenda
from Sen Byrd
8/23/77*

Major Legislation Remaining for First Session

Minimum Wage
2nd Budget Resolution
D. C. Appropriations
No-Fault Insurance
Black Lung
Saccharin
Unionization in Military
Supplemental Appropriations
Regulation & Extension (of *Regulation* )
Toxic Substances
Debt Limit
Recombinant DNA
Timber Sales
Legal Services
Prisoner Exchange Treaty Legislation

Sex Discrimination

Coal Conversion
Energy Conservation
National Gas Pricing
Utility Rates Reform
Energy Tax Legislation

Social Security Tax
Medicare - Medicaid

Various Conference Reports

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THE WHITE HOUSE
WASHINGTON

August 24, 1977

Stu Eizenstat
Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

WEST VIRGINIA DISASTER DECLARATION

THE WHITE HOUSE
WASHINGTON

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Re: Dinner, 7:00 p.m.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

August 23, 1977

Frank -
No Lofy Senators
When signed
J

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT
LYNN DAFT

Stu

SUBJECT:

West Virginia Disaster Declaration

Because of heavy rains, flooding and mudslides that began on August 12, Governor Rockefeller has requested that you declare three counties in West Virginia disaster areas.

The request for Federal assistance is limited to providing mobile homes, site development and other housing assistance. Because the damage has been extensive so far and because the Governor has been very responsive in trying to use state resources to meet the disaster, FDAA will recommend to you tomorrow approval of the disaster declaration. You might want to mention this to the Senator if the issue arises.

Eizenstat / DAFT Comment

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THE WHITE HOUSE

WASHINGTON

August 22, 1977

MEETING WITH JACK DAVIS,
PRESIDENT OF ROTARY INTERNATIONAL

Wednesday, August 24, 1977
9:00 AM (5 minutes)
The Oval Office

FROM: MARGARET COSTANZA *mc*

I. PURPOSE

To Greet the President of Rotary International
and to receive a pictorial book which portrays
Rotary achievements worldwide.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: The President of Rotary International serves
as the elected volunteer leader of 812,000 Rotarians who
are members of 17,375 clubs in 152 countries.

B. Participants: W. Jack Davis,
President, Rotary International

Herbert Pigman,
Executive Assistant to The President

Thomas Scoggins
District Governor

H. Greig Cummings, Jr.
President, Rotary Club of Washington, D.C.

C. Press Plan: White House Photographer

III. TALKING POINTS

1. The Rotary motto is "Service Above Self" and one principal effort is to build international goodwill and peace. Jack Davis puts a special emphasis on international goodwill and peace.
2. Rotary runs perhaps the world's largest youth exchange program on the secondary school level, exchanging some 6,000 young men and women annually, for study in countries other than their own.

III. TALKING POINTS (Continued)

3. Jack Davis has recently retired from business and lives in Hamilton, Bermuda where he has been a member of the Rotary Club of Hamilton since 1943. He has served as district governor, Rotary information and extension counselor, director and vice president.

4. Rotarians contributed over \$10,000,000 last year to the Rotary Foundations which will send more than 1600 men and women abroad for graduate and undergraduate work. Each student serves as "an ambassador of goodwill" interpreting his country to his hosts.

R. Reiman: ERC

12:00 PM

THE WHITE HOUSE

WASHINGTON

August 23, 1977

C
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MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
BOB GINSBURG

SUBJECT: Luncheon Meeting with Campaign Economic
Advisory Group

Attached is a list of your economic advisers from the campaign who will be present at the luncheon. We have discussed the following possible agenda and set of questions with Charlie Schultze.

Suggested Agenda

1. Welcoming remarks by the President.
2. Brief remarks by Charlie Schultze on the Administration's economic policies and outlook for the economy.
3. General discussion.

Questions You May Want to Raise

1. Economic outlook and policy. The Administration forecasts economic growth at about a 5% rate over the next 18 months. Is this realistic? Will additional economic stimulus likely be needed in 1978?
2. Budget policy. The Administration's goals of a balanced budget and less than 5% unemployment by FY 1981 are admittedly difficult. Do any of the participants regard these goals as already beyond reach? What are the basic factors which will determine whether or not the goals can be met?

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3. Inflation. After a temporary bulge in the first half of the year (CPI up at a 9% annual rate), inflation appears to be settling back to the "underlying" rate of 6 to 6 1/2%. Discussions with the Labor-Management Committee on ways to secure moderation in private wage and price decisions are proceeding slowly and have not yet produced anything. What is the inflation outlook for 1978? What suggestions do the participants have for additional anti-inflation policies?
4. Employment policy. The Administration has been criticized for not making enough of a direct assault on unemployment, particularly teenage unemployment in the big cities. However, there is substantial argument that direct jobs programs are not cost-effective and don't work very well. Are there any direct steps the participants would recommend in the area of employment policies, or must we basically depend on strong overall economic growth to reduce unemployment?

CAMPAIGN ECONOMIC ADVISORY GROUP

The Vice President ✓

Carolyn Shaw Bell ✓

John Bowles ✓

Richard Cooper ✓

Jerry Jasinowski ✓

Laurence Klein ✓

Arthur Okun ✓

Arthur Sommers ✓

Lester Thurow ✓

Charlie Schultze ✓

Stuart Eizenstat ✓

124
THE WHITE HOUSE
WASHINGTON

August 24, 1977

Zbig Brzezinski

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed letter to Ambassador Linowitz has been delivered to Bob Linder for appropriate handling.

Rick Hutcheson

RE: LETTER TO AMBASSADOR LINOWITZ
EXTENDING HIS TERM

cc: Bob Linder

X

THE WHITE HOUSE
WASHINGTON

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THE WHITE HOUSE
WASHINGTON

August 24, 1977

Richard Harden

The attached was returned in
the President's outbox. It is
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handling.

Rick Hutcheson

LETTER TO TED BARREAUX, AICPA

THE WHITE HOUSE
WASHINGTON

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

August 23, 1977

*Richard
Good
J*

MEMORANDUM FOR: THE PRESIDENT
FROM: RICHARD HARDEN *Richard*
SUBJECT: Attached Letters

Attached for your information is a letter from Ted Barreaux summarizing four major efforts that the American Institute of Certified Public Accountants has performed for you during the past year. I submit this as an indication of the value of volunteer services when they are properly organized. Ted is currently working with me in establishing an advisory group to assist in the development of the financial management system that will be used by the new Central Administrative Unit.

As a way of thanking the individuals who have been directly involved thus far, I would like your approval to send the attached letters. There are 28 letters in all which will be signed by the autopen once you approve the drafts.

In regard to your recent comment about restoring faith in American institutions, I feel the AICPA could be quite useful in helping organize such an effort. Organization is one of their strong suits, and they have over 130,000 members with offices throughout the country. I will be submitting a memo to you in the next few weeks discussing these possibilities in more detail. *ok*

This Fall, after your plans in this area are more firmly developed, I would like to arrange a meeting with 10-12 of the managing partners to discuss how they can become actively involved in the effort.

Attachments

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American Institute of Certified Public Accountants

1620 Eye Street, N.W., Washington, D.C. 20006 (202) 872-8190

August 8, 1977

The Honorable Jimmy Carter
The President of the United States
The White House
Washington, D.C.

Dear President Carter:

For the American Institute of Certified Public Accountants, this is an historic week.

One year ago this week the AICPA began working with the Carter team and since then we have been close colleagues on a number of significant projects during the presidential campaign, the transition and now, the Carter Administration. Because the relationship has been so effective and in many ways unique, I think it will be beneficial in terms of future projects to summarize just four of the major efforts we have worked on together during the last twelve months.

(1) AICPA Presidential Campaign Advisors Program.

The passage of legislation dealing with financial reform of the presidential election process placed new and burdensome responsibilities on all presidential candidates.

In an effort to provide technical expertise to the Carter campaign, you approached the AICPA to develop a program that would recruit and train volunteer CPA advisors in approximately 100 cities across the country to provide "on-site" technical assistance for each of the local Carter campaign organizations. In an effort to be completely bi-partisan we also offered this assistance to the incumbent.

In approximately six weeks the AICPA was able to accomplish what many predicted to be an impossible task. After an intense recruitment campaign we were able to find CPA advisors in all the cities requested. We also sponsored a two-day training program in Washington, where among other things, the CPA advisors were addressed by you.

The Honorable Jimmy Carter
August 8, 1977
Page 2

Many political observers have commented that the volunteer assistance lent by the CPA advisors under the overall direction of Richard Harden helped to avoid the kinds of inadvertent violations that could have seriously marred the campaign and cost federal election reform needed credibility.

(2) The Inaugural Committee.

It became clear during the early days of last December that the Inaugural Committee was in need of record keeping and internal management advisory services.

The Inaugural Committee approached the Institute and we were able to recruit 47 CPAs from the Washington area to assist on everything from the review of contractual arrangements to the organization of ticket distribution. Some of these volunteers stayed on for several additional weeks to assist in the wrap-up of the Inaugural Committee's work.

(3) AICPA Special Advisory Committee on Presidential and Related Tax Matters.

While Richard Harden was working with Bob Perry and Robert Lipshutz on the unique aspects of your personal tax situation, it was suggested that the AICPA might be able to provide some professional guidance to you and your staff by assisting you with certain policy questions relating to your personal tax liability.

Accordingly, after receiving your request, the AICPA Special Advisory Committee on Presidential and Related Tax Matters was appointed and four premier tax experts from the accounting profession were selected as its principal members. These four gentlemen have a combined experience in the area of tax policy of over 120 years. In addition to their own efforts, which were intense for approximately two months, many additional hours were devoted to this effort by their partners and associates.

I had the pleasure of coordinating this project, and the Special Committee's interim report was forwarded to The White House on March 30, 1977.

(4) ACTION Agency/Citizens' Review Project

In response to a request from both you and ACTION, the AICPA put together a team of CPAs from each of the ten federal

The Honorable Jimmy Carter
August 8, 1977
Page 3

regions to provide volunteer management advisory services for each of the agency's regional offices.

Among other things, the CPA management teams examined the regional operations of ACTION in relation to the mission of the agency; planning and budgeting; management reporting systems; project approval; management and evaluation; the project renewal process; project monitoring; and program support.

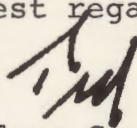
The ten firms involved in this project used approximately 50 partner or senior level CPAs in completing the effort and we estimate that over a quarter of a million dollars worth of otherwise billable time was provided.

Sam Brown sent you the detailed findings of these CPA consultants on July 18, 1977.

As you can see, it's been a very busy year--and also, a productive and fulfilling one. There will undoubtedly be many other opportunities for the Administration and the accounting profession to team up in helping to provide more effective and efficient administration of public responsibility.

We believe it important to do our part and stand ready to continue to work with you when you feel it important to have our advice and counsel.

Kindest regards,



Theodore C. Barreaux
Vice President - Washington

cc: The Honorable Richard M. Harden

THE WHITE HOUSE

WASHINGTON

August 23, 1977

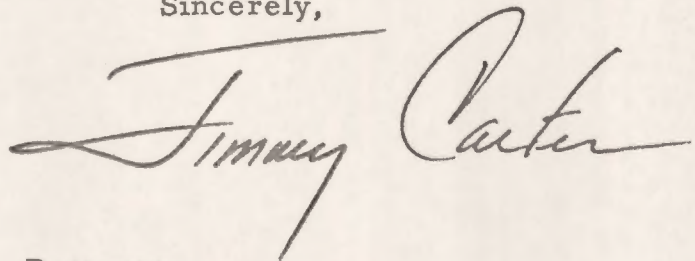
To Ted Barreaux

I was pleased to receive your letter of August 8, 1977, concerning the projects the accounting profession has conducted during the course of the last year.

The AICPA Presidential Campaign Advisors Program, the Inaugural Committee Project, the AICPA Special Advisory Committee on Presidential and Related Tax Matters, and the ACTION Agency Citizens' Review Project all required a significant expenditure of time, effort, and resources on the part of those individuals and accounting firms that participated.

I appreciate these efforts thus far and have asked Richard Harden to work with you in future projects where the expertise of the accounting profession can benefit my Administration. I have also asked him to set up a meeting this Fall where I can personally discuss with the appropriate individuals ways the accounting profession can continue to work with the Administration in improving government.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is fluid and cursive, with a long horizontal line extending from the "J" and a large, sweeping "C" for "Carter".

Mr. Theodore C. Barreaux
Vice President - Washington
American Institute of Certified
Public Accountants
1620 Eye Street, N. W.
Washington, D. C. 20006

D R A F T

THE WHITE HOUSE

WASHINGTON

Thank you letter to members of the AICPA Special
Advisory Committee on Presidential and Related
Tax Matters

To

I want to take this opportunity to express my personal appreciation and gratitude for your service as a member of the Special Advisory Committee on Presidential and Related Tax Matters of the American Institute of Certified Public Accountants.

Through you, the accounting profession has again demonstrated its ability to respond to a difficult assignment in a thoroughly professional manner. In addition to your personal advice and counsel contained in the report of the special committee, I appreciate the commitment made by you to assist me in the area of tax reform.

Please be assured of my continued interest in having the benefit of your thinking on future projects.

Sincerely,

D R A F T

THE WHITE HOUSE

WASHINGTON

Thank you letter to partners in charge of the 10 regional audits for the ACTION Agency Citizens' Review Project

To

Your role as the partner in charge of a regional management in the recently completed ACTION Agency Citizens' Review Project helped to make the entire project a significant success.

Since I was elected, it has been my pleasure to see many Americans help me with ideas on how to make government more efficient and effective. However, none impressed me more, both in terms of resources and ability, than the efforts of you and your firm during the ACTION project.

You and your colleagues have my personal appreciation for your dedication and hard work.

Sincerely,

D R A F T

THE WHITE HOUSE

WASHINGTON

Thank you letter to managing partners of the six firms which participated in the ACTION Agency Citizens' Review Report

To

Recently, I reviewed the report of the ACTION Citizens' Review Project in which you and your firm played such a significant role.

I want to take this opportunity to express my appreciation to you for providing the necessary leadership which proved to be one of the crucial elements in making this project a success. I hope that you will agree to assist my Administration on other projects where the talents of the accounting profession can help bring about meaningful change in the structure and operation of government.

Sincerely,

THE WHITE HOUSE
WASHINGTON
August 24, 1977

Tim Kraft

The attached is being
forwarded to the President
today. This copy is for your
information.

Rick Hutcheson

LETTER TO TED BARREAUX, V.P.

Washington, A.I.C.P.A.

THE WHITE HOUSE
WASHINGTON

August 24, 1977

Charlie Schultze

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Stu Eizenstat
Frank Moore
Jack Watson

SENATE FINANCE COMMITTEE PROPOSAL
ON SOCIAL SECURITY FINANCING AND
RELATED MATTERS

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	X	MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
	✓	MOORE
		POWELL
	X	WATSON
		LANCE
X		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

Mr. President:

CEA, DPS, Califano and the Vice President are presently working on a strategy for dealing with Sen. Long; hence, CEA concurs in your disregarding the second-to-last paragraph of this memo.

OMB comments that the Senate Finance Committee tax proposal (.65% of payroll) would increase inflation by about .5% if the full payroll costs were immediately passed through to consumers. However, some economists believe that only 20-33% of the added payroll cost would be passed on to consumers through higher prices.

---Rick

~~THE PRESIDENT HAS SIGNED~~

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

August 18, 1977

Charlie -
Go ahead &
prepare the economic
impact statement
for me
J.C.

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*

SUBJECT: The Senate Finance Committee proposal on
social security financing and related matters

The Senate Finance Committee (SFC) social security proposal would add another element to government-determined increases in payroll costs in 1978. The total of these costs, and their implications for the economy in 1978, are disturbing.

Beginning in January 1978, employers will face the following increases in payroll costs due to Federal government actions:

	<u>Percent increase</u>
(1) Social security payroll tax increase scheduled under current law	0.25
(2) Unemployment insurance tax increase scheduled under current law	0.35
(3) Estimated direct payroll cost of minimum wage increase	0.40
(4) SFC social security proposal	<u>0.65</u>
Total	1.65

These actions alone will, therefore, add over 1-1/2 percent to payroll costs, averaged across all employers. Most of these increases will be passed on to higher prices. Since we have every reason to believe that the rate of increase in wage rates won't slow down next year, this means an extra 1-1/2 percent price increase. Cost-of-living escalators and more

informal arrangements will then lead to still higher wage and price pressures in 1979 and subsequent years.

These developments will not only add to inflation, they will also increase unemployment.

- . The SFC proposal, if enacted, would raise taxes and siphon \$6.6 billion out of consumers' after-tax incomes during 1978. We estimate that this would lower GNP roughly 1/2 percent below the level we are now forecasting and add 200,000 people to the unemployment rolls. (The other two tax increases have already been included in our economic forecasts.)
- . This fiscal impact will be accentuated by an adverse impact of rising prices on interest rates. The Federal Reserve, with or without Arthur Burns, will not simply "accommodate" the higher inflation rate by raising the growth of the money supply. This will mean higher interest rates, with a resulting adverse effect on housing and business investment.

We cannot do much about the first three items in the above list. But it is imperative that we block the SFC proposal.

The Administration proposal also has a large cost-raising effect but it starts a year later, and is spread over three subsequent years. I have talked to Hale Champion and suggested an alternative general revenue-sharing approach that might be more saleable.

If you agree, CEA will prepare an "economic impact" statement that can be given to Senator Long.

I cannot overstress the importance of avoiding a still further inflationary push from sharply higher payroll taxes on employers next year.

THE WHITE HOUSE
WASHINGTON

*Cathy
Ward*

Date: August 19, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat *concur, but see memo 7/21/77*

✓ Frank Moore *see comments*

Jack Watson

* Bert Lance —

goes into detail about it
FOR INFORMATION:

The Vice President

Hamilton Jordan

Bob Lipshutz

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Schultze memo dated 8/18/77 re The Senate Finance
Committee proposal on social security financing and
related matters.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Saturday

DATE: August 20, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

**asked for extension
to Monday at Noon.*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 23 1977

MEMORANDUM FOR: Rick Hutcheson

FROM: Bo Cutler

SUBJECT: Charlie Schultze's Memorandum on the
Senate Finance Committee Social Security
Financing Proposal

We have briefly reviewed Charlie's August 18, 1977, memorandum to the President and have the following comments:

- The Senate Finance Committee tax proposal (.65% of payroll) would increase inflation by about .5% if the full payroll costs were immediately passed through to consumers. However, some economists believe that only 20 to 33% of the added payroll cost would be passed on to consumers through higher prices.
- We are concerned that the alternative general revenue approach referenced in Charlie's memo may have some serious conceptual and administrative problems. If the Administration wishes to continue supporting some form of general revenue financing, it may be more saleable to the Congress to propose a non-interest general fund loan to the social security trust funds rather than the countercyclical, grant proposal now before the Congress. There is a precedent for such a general fund loan in the financing of the unemployment trust fund, which is also within the jurisdiction of the Senate Finance Committee. In budgetary and economic terms, such a loan has the same effect as a general fund payment but it is buttressed by the more conservative view that it will be eventually repaid.
- The Administration's proposals and timing for tax rate increases, reallocations, and taxable wage base increases are more reasonable than those proposed

by the Committee, largely because they are more gradually implemented. We are attracted by one feature of the Committee's proposal: offset dependents and survivors benefits by the amount of any public retirement or disability benefit payable that was not covered under social security. This idea was raised as a substitute for the Administration's proposal to establish a dependency test for determining eligibility for a spouse's benefit. The Committee's suggestion is a step towards closer coordination of public retirement and disability programs (which we believe should be encouraged) and may be suitable as an addition to rather than a substitute for the proposed dependency test. Effectively, this could constrain the future benefit levels of many "double dippers." In sum, we believe this feature of the Committee's financing package merits further study by and a recommendation from Secretary Califano.

THE WHITE HOUSE
WASHINGTON

Party is returning to me for call
[Signature]

ACTION	FYI
<input checked="" type="checkbox"/>	MONDALE
<input type="checkbox"/>	COSTANZA
<input checked="" type="checkbox"/>	EIZENSTAT
<input checked="" type="checkbox"/>	JORDAN
<input checked="" type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input checked="" type="checkbox"/>	WATSON

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HOYT
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
<input checked="" type="checkbox"/>	LANCE
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	B. RAINWATER
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	SCHULTZE
<input type="checkbox"/>	SIEGEL
<input type="checkbox"/>	SMITH
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	WELLS
<input type="checkbox"/>	VOORDE

Date: August 19, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Frank Moore
Jack Watson
Bert Lance

FOR INFORMATION:

The Vice President
Hamilton Jordan
Bob Lipshutz

471

VC (arg)
Raines

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Schultze memo dated 8/18/77 re The Senate Finance
Committee proposal on social security financing and
related matters.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Saturday

DATE: August 20, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.☐ No comment.

Please note other comments below:

I agree with the thrust of Charlie's memo. My memo of
August 12, which you have seen, went into detail about
how we are proceeding.

Stu Eizenstat

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required

Date: August 19, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Frank Moore
Jack Watson
Bert Lance

FOR INFORMATION:

The Vice President
Hamilton Jordan
Bob Lipshutz

HL
SL

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Schultze memo dated 8/18/77 re The Senate Finance
Committee proposal on social security financing and
related matters.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Saturday

DATE: August 20, 1977

ACTION REQUESTED:

☒ Your comments
Other:

STAFF RESPONSE:

☐ I concur. ☐ No comment.
Please note other comments below:

Concur - Tate (Senate) - President
should handle personally
with Long

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required
material, please telephone the Staff Secretary immediately. (Telephone, 7052)

2⁰⁰ PM

THE WHITE HOUSE
WASHINGTON

August 23, 1977

MEETING WITH SENATOR SPARK MATSUNAGA

Wednesday, August 24, 1977
2:00 p.m. (10 minutes)
Oval Office

From: Frank Moore *f.m.*

I. PURPOSE

To discuss the impact of the new sugar program on Hawaii.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: Senator Matsunaga, who confirmed to us his commitment to vote for the new Canal Treaty on Monday night, asked for a brief opportunity to discuss the impact of the new sugar program on Hawaii. The Senator has discussed this matter with the Secretary of Agriculture and now wants to talk to you personally. His major concern appears to be that the program will not be made retroactive and thus will not help Hawaiian sugar producers during this crop year. Unlike other U.S. producers, the Hawaiians grow their crop year-round. Not making the new program retroactive will, in the Senator's view, cost Hawaii between \$30 and \$40 million.
- B. Participants: The President
Senator Spark Matsunaga
- C. Press Plan: White House Photo only.

III. TALKING POINTS

- A. The Senator should be warmly thanked for his commitment on the Canal Treaty.
- B. Relief such as that suggested by the Senator does not appear possible at this time, but further discussions with the Secretary of Agriculture should be encouraged.

Electrostatic Copy Made
for Preservation Purposes

X

130 PM

THE WHITE HOUSE

WASHINGTON

August 23, 1977

MEETING WITH SENATOR TED STEVENS

Wednesday, August 24, 1977

1:30 p.m. (20 minutes)

Oval Office

From: Frank Moore *F.M.*

I. PURPOSE

To discuss the benefits of the El Paso Route of the Alaskan Gas Pipeline.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Senator Stevens obviously favors the El Paso Route and wants to outline the benefits to you.

B. Participants: The President
Senator Ted Stevens
John Ferguson (Aide to the Senator)
John Burnett (Aide to the Senator)
Frank Moore

C. Press Plan: White House Photo only.

III. TALKING POINTS

A. Senator Stevens is the Minority Whip of the Senate.

B. You should use this occasion to ask for his leadership on the Panama Canal. In the past he has been leaning toward it, although not as heavily as Gravel. If he should go with you, it would further isolate Baker.

Electrostatic Copy Made
for Preservation Purposes

X

THE WHITE HOUSE
WASHINGTON

August 24, 1977

Bert Lance -

The attached letters were signed by
the President and given to Bob Linder
for appropriate handling.

Rick Hutcheson

cc: Jody Powell
Bob Linder

Re: Memoranda Announcing Five
New Reorganization Studies

X

THE WHITE HOUSE
WASHINGTON

notify press
office That
memos have been
signed



PRESIDENT'S
REORGANIZATION
PROJECT

WASHINGTON, D.C. 20503

AUG 23 1977

Q

MEMORANDUM FOR THE PRESIDENT

FROM: Bert Lance

BL

SUBJECT: Memoranda Announcing Five New Reorganization Studies

Attached are five memoranda to department and agency heads briefly outlining the reorganization studies which you approved on August 15, 1977.

They will be published in the Federal Register and released to the Press on Thursday.

They have been edited by Jim Fallows. Press strategy has been coordinated with Jody.

Attachments

Mr. President:

According to OMB, the memos have been coordinated with the Cabinet, as you instructed.

Rick

FIVE SIGNATURES REQUESTED

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

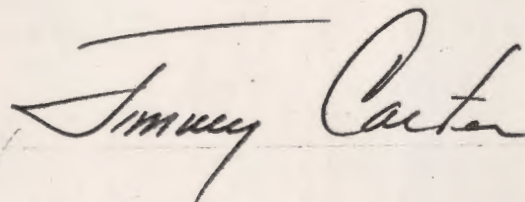
SUBJECT: Reorganization Study of Federal Preparedness and
Response to Disasters

I have directed my Reorganization Project staff at the Office of Management and Budget to carry out a comprehensive study of the Federal Government's role in preparing for and responding to natural, accidental, and wartime civil disasters.

Three different departments have major responsibility for disaster and civil defense preparedness. Many other Federal organizations have some disaster planning, relief, or recovery responsibilities. In national emergencies the resources of the entire Federal Government are on call, but they must be deployed effectively. After local disasters Federal agencies should be effectively coordinated to be able to assist State and local authorities without delay.

A preliminary review indicates that there are opportunities for the Executive Branch to improve its performance in planning for and helping to cope with the effects of major disaster. But this is a shared responsibility. The cooperation of State and local government, Congress, private sector organizations, and individual citizens is essential. Successful completion of this important reorganization study will require their participation as well as the full cooperation of Federal departments and agencies. If you are asked to contribute staff support or other assistance to this effort, I encourage you to do so.

In order to inform all affected parties that the review is underway, I have directed that this memorandum be published in the Federal Register.

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style with a long horizontal line extending from the end of the name.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Review of the Economic Analysis and Policy Machinery in the Federal Government

I have directed my Reorganization Project staff at the Office of Management and Budget to begin a review of the economic policy and analysis machinery of the Federal Government, to look for ways to improve the way economic policy decisions are made and carried out.

This review will focus primarily on the economic policy-making system outside the Executive Office of the President. It will involve 33 agencies employing approximately 5,000 economists.

The review will examine and develop recommendations about the best ways to:

- . Eliminate overlapping functions among economic agencies;
- . Repair weaknesses or gaps in the Federal Government's capacity to conduct economic analyses of particular industries or regions;
- . Link foreign policy with economic decisions; and
- . Ensure that economic decisions are carried out.

This effort will require the active participation of Federal departments and agencies. You may be asked to contribute time, resources, and staff assistance. I know that I can count on your support.

In order to inform all affected parties that this review is underway, I have directed that this memorandum be published in the Federal Register.

Jimmy Carter

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Comprehensive Review of Federal Food and
Nutrition Policy

I have directed my Reorganization Project staff at the Office of Management and Budget to begin a thorough review of the organization and structure of Federal food and nutrition programs.

The Federal Government is unable to respond as effectively as it should to the important changes taking place in the production, processing, marketing, and consumption of food. As a result, our capability to develop and implement a coherent food and nutrition policy is severely hampered.

This review will focus on seven major areas:

- . Production and marketing of food;
- . Regulatory activities affecting food which now involve 14 agencies and over 2000 regulations;
- . Food research and education which is now conducted by 12 different organizations;
- . International activities which involve 12 different organizations;
- . Commodity procurement and distribution including the Federal feeding programs;
- . Aquaculture activities which are dispersed among three major departments, and
- . Conservation activities which affect the availability of good soil and water to grow crops.

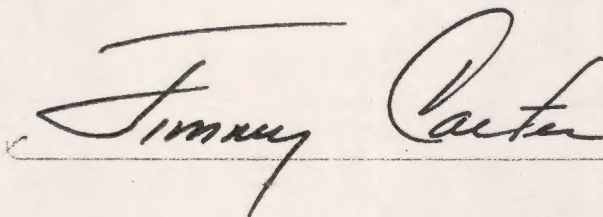
The objective of this review is to improve the Government's capability to address the Nation's needs for adequate supplies of reasonably priced, safe, and nutritious foods.

As part of this overall project I have directed OMB's new Regulatory Policy and Reports Management staff to begin a specific review of Federal food inspection, labeling and grading as well as other related food regulatory practices. The comprehensive food and nutrition policy review and the food regulatory policy review will be closely coordinated within the Reorganization Project.

This important effort will need the active participation of the Congress, Federal Departments and Agencies, State and local officials, and the public.

You may be asked to contribute time, resources, and staff assistance to this effort. If so, I hope you will make your best effort to do so.

In order to inform all affected parties that this review is underway, I have directed that this memorandum be published in the Federal Register.

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive style with a large, sweeping "J" and a long, horizontal flourish extending to the right. The signature is positioned above a thin horizontal line.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Examination of the Federal Government's Legal Representation System

I have directed my Reorganization Project Staff at the Office of Management and Budget to review the Federal Government's system for providing legal advice and representation to its departments, agencies, and regulatory commissions.

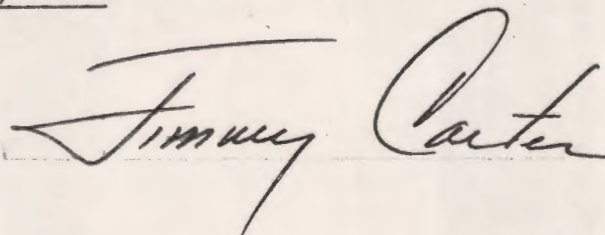
This study is designed to improve the way governmental units use the legal resources at their disposal, which include their own legal offices and the services of the Department of Justice, including United States Attorneys. Better use of these resources should help prevent unnecessary litigation and administrative delay by enabling the Federal Government to do a better job of complying with its own rules and regulations.

A second objective will be to improve the way litigation is conducted in order to ensure better and more uniform application of the law.

This study will rely heavily on the advice and counsel of the Congress, Federal departments, agencies, and regulatory commissions, State and local officials, private organizations and the public.

I consider the effective use of legal resources to be a vital part of my Administration's effort to improve the performance of the Federal government; accordingly, I ask for your cooperation in providing staff assistance and other resources to assure the success of this review.

In order to inform all interested parties that this study is underway, I have directed that this memorandum be published in the Federal Register.

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. The first name "Jimmy" is written with a large, sweeping initial "J". The last name "Carter" is written with a large, sweeping initial "C". The signature is positioned at the bottom right of the page, below the main body of text.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Study of Federal Justice System Improvement
Activities

The weaknesses of our present system of justice are painfully clear to many citizens. Lawyers are often available only to the wealthy or the very poor. There are substantial backlogs in the courts. While many people have proposed plans for resolving disputes outside of the courts, few of these plans are now operating. The Federal Government does not bear full responsibility for correcting these inequities, but it should make its own system a model and encourage State and local governments to improve the quality of their systems of justice.

I have therefore directed my Reorganization Project Staff at the Office of Management and Budget to review all Federal activities designed to improve the system of justice in this country. These include: (1) justice research programs; (2) justice information and statistical services; (3) justice policy and planning offices; (4) financial assistance for State and local systems; and (5) other reform activities such as juvenile justice and delinquency prevention programs.

This review will rely heavily on advice and counsel from Congress, Executive departments and agencies, the Judiciary, State and local officials, and the public.

You may be asked to contribute time, resources, and staff support to this effort. I consider this to be a high priority matter, and I know I can count on your cooperation and assistance.

In order to inform all affected parties that this review is underway, I have directed that this memorandum be published in the Federal Register.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

5/26

Kay Beardsley reported on

item on Reorganization:

All has been coordinated with Cabinet
Memos should be to you by tomorrow -
now with Speech Writers ---
Jody will have press conference on
this Wednesday or Thursday depending
on when the memos are signed.

Trudy 8/22/77



PRESIDENT'S
REORGANIZATION
PROJECT

WASHINGTON, D.C. 20503

August 23, 1977

MEMORANDUM

FOR: Rick Hutcheson
FROM: Peter Petkas *Petkas*
SUBJECT: Presidential Memoranda to Agency Heads

We would like these signed by mid-afternoon tomorrow, if possible, so that the Press Office can reproduce them for distribution Thursday morning, August 25.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

August 24, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson *Jack*
Lawrence Gilson *B*

SUBJECT: Reorganization Problems

"WE TRAINED HARD....BUT IT SEEMED THAT EVERY TIME WE WERE BEGINNING TO FORM UP INTO TEAMS WE WOULD BE REORGANIZED....I WAS TO LEARN LATER IN LIFE THAT WE TEND TO MEET ANY NEW SITUATION BY REORGANIZING; AND A WONDERFUL METHOD IT CAN BE FOR CREATING THE ILLUSION OF PROGRESS WHILE PRODUCING CONFUSION, INEFFICIENCY AND DEMORALIZATION."

Petronius, Arbiter, 210 B.C.
Author of the "Satyricon"

* * * * *

The National poll which Pat Caddell conducted during the transition period showed that -- with the exception of inflation and unemployment -- more Americans consider government inefficiency, unresponsiveness and uncontrolled growth to be the nation's greatest problem than any other issue. In large measure it was you who brought the issue into such sharp focus.

Because reorganization remains one of your highest priorities, and because the public will measure the Administration in part by your success in "making the government work better", there are some aspects of the reorganization process that, we believe, you need to think about. There are some problems in the conduct of the reorganization effort which could undermine the project and reduce the chances of its meeting either your expectations or the public's.

The sole purpose of the attached memorandum is to focus your attention on some of those problems. No criticism of anyone is intended or implied; the simple fact is that "government reorganization" is one of man's most inscrutable endeavors.

**Electrostatic Copy Made
for Preservation Purposes**

PROBLEM: We have not yet adequately set
Clear Reorganization Priorities.

Implications of the Problem:

- o Nearly every domestic initiative of the Administration is described as part of reorganization. As a result, the public, civil service and state and local support for reorganization is being fragmented and dissipated.
- o Under the reorganization authority only three plans can be before the Congress at a time. Yet OMB lists at least 22 ongoing projects which will be ready for submission next year.

Recommendation: Direct OMB to focus its work on a series of fundamental reforms which are necessary preconditions for the effective management of the government. These OMB priorities would leave to the Departments the principal responsibility for improving the delivery of individual services while focusing OMB resources on those cross-cutting problems that only a central management unit can address. OMB/White House efforts should focus on:

- o Civil Service Reform. (Although the Civil Service Commission has some reorganization projects underway, they tend to deal either with reform of the "super-grades," or with the conduct of CSC itself. The present system of recruiting, promoting and motivating federal civil service employees needs major reform. Without such reform, many organizational changes will be largely ineffective.)
- o Creation of a Federal Accounting System. (Amazingly, there is really no accounting system either for the Federal government as a whole or for most Departments. The lack of such a system means that we do not know where, how, or at what rate Federal outlays are occurring. This is why we discover multi-billion shortfalls in Federal spending and one of the reasons why Federal fiscal policy is such an ineffective tool.)
- o Implementation of Zero-Based Budgeting. (Although a plan for ZBB has been promulgated, it will take continuous, diligent effort over several years to make the system work in the face of bureaucratic and Congressional skepticism. The major OMB resources which need to be applied to such a ZBB effort should not be wasted on interesting but less important reorganization initiatives. ZBB could ultimately be the most important government reform you introduce if it is fully utilized by the Departments and OMB.)

- o Reform of the Federal Aid Administration. (The Federal government distributes about \$74 billion a year by means of federal aid. This represents about 30 percent of the "controllable" part of the Federal budget. In large measure, the thread which runs through all of the domestic Cabinet Departments is that they fulfill their missions by administering federal aid programs. Although my staff is working on a federal aid project which will produce recommendations for you later this week, the subject is so laced with inter-agency problems and so central to the success or failure of your domestic initiatives that it should have a higher priority in reorganization and among the Cabinet.)
- o Development of a Federal Planning Capability and a Coordinated Statistical Policy. (Although the limits of the federal budget make it important to target federal resources and to project and plan for future needs as carefully as possible, we lack a statistical capability to give us accurate and timely information on population shifts, unemployment rates, public spending or private investment.)

PROBLEM: There tends to be too much reliance on program and functional consolidations as the main reorganization tool. This results in part from the organization of almost all of the OMB reorganization staff along programmatic/functional lines, and the selection of study topics along the same lines. This approach almost inevitably drives the process toward program consolidation -- just as it did with President Nixon's comprehensive consolidation proposals, and ultimately with his "Super Cabinet" idea.

Implications of the Problem:

- o There is always great constituency pressure to "level-up" on consolidated services. This pressure runs counter to your goal of balancing the budget.
- o Consolidations are often in conflict with your expressed goal of targeting Federal programs to those most in need.
- o The Nixon block grant programs (Housing and Community Development, Safe Streets, CETA, and Partnership for Health) are the main examples of recent program consolidations, and they are all under serious attack for programmatic and administrative failures.

- o More than any other form of reorganization, consolidations really are "moving boxes around".
- o Although there is certainly potential for some economy of scale from consolidation, such a strategy does not necessarily improve management capability; make government more efficient; or make it more responsive to the President or the people.

Recommendations:

- o Direct OMB to focus on the priority, cross-cutting problems discussed above.
- o When making public statements about reorganization, emphasize the potential for improved management, accountability and economy that can be realized if we are successful in addressing the cross-cutting problems.

PROBLEM: There is not a clear division of reorganization responsibility between OMB and the Departments.

Implications of the Problem:

- o Department personnel, state and local governments, and various "client groups" of federal programs are confused by OMB reorganization involvement in areas for which a Department should have the clear lead. For example, OMB's economic and community development reorganization team lists "Transportation Policy" as one of its projects, even though DOT should have the lead and has already conducted hearings throughout the country on transportation policy.
- o Although you have made it clear that you want the Departments to assume 95 percent of the responsibility for reorganization, OMB is generally perceived by the public, the Congress and the Departments as being "in charge of" reorganization.

Recommendations:

- o Direct OMB to identify those functional areas in which major inter-departmental reorganization seems advisable and for which the designation of a single Department with lead responsibility is not feasible; give the Cabinet a chance to react to the OMB views on this. Limit OMB's direct responsibilities for programmatic reorganizations to those areas, with the preferred strategy being the creation of OMB-led inter-agency working groups.

- o Make it clear (to both OMB and the Departments) that the Departments have responsibility for the bulk of the programmatic, functional reorganization activities, and that OMB will monitor and assist in those activities in every way possible.
- o Direct OMB to set up a more effective clearing-house, information-exchange system for reorganization problems and ideas coming from the Departments. One of the ways this could be done is to institute a system for reviewing Departmental reorganization plans. At present the OMB review of those plans is cursory or nonexistent. As a result, literally no one is in a position to know whether similar concerns are surfacing in several departments in a way which suggests the need for government-wide remedy.

PROBLEM: A lack of clear guidance and misinterpretation of some of your statements can result in some precipitous, ill-advised reorganization actions and in costly delays in other decisions.

Implications of the Problem:

- o The Departments and the White House staff are continuously engaged in work which the reorganization staff seeks to defer "until a reorganization study on the subject is complete." Recent examples of conflicting timing and priorities occurred with regard to civil rights reform, the Federal Regional Council review, changes in housing policy, and the future of the Title V Commissions.
We cannot afford to "put the government on hold" for two years while we decide how it should be reorganized. There are many important policy and organizational decisions that need to be made now --- not six months or a year from now.
- o The Justice Department decided to eliminate the LEAA regional offices even before their own study on the question was complete. The action was taken without any knowledge of what civil service or program implications were involved. That sudden and precipitous action, presumably taken because of an awareness of your general attitude toward regional offices, not only had a devastating effect on the morale of LEAA employees but on the conduct of LEAA programs as well.

- o In order to meet your personnel reduction goals, Harold Brown has ordered a twenty-five percent cut in the civilian work force in each Pentagon unit. Although a total cut of this size may be entirely appropriate, the arbitrary application of it to each unit presumably perpetuates some units which could be totally eliminated, while crippling others which may need more staff. Given the "bumping rights" in the Pentagon, only the more junior personnel will be eliminated, while those with tenure will be protected without regard to merit.

Recommendations:

- o You should not agree to the deferral of government actions unless reorganization initiatives in the area are imminent and the proposed action would preempt the reorganization proposal.
- o You should give clearer guidance on how you wish OMB and the Departments to pursue the reorganization objectives you have identified. We suggest you give written guidance along the following lines:
 - Reorganization initiatives as to each affected government unit should be based on a clear articulation of the proper role of that unit. Such a determination should be based on a review of the law and of Administration policy and goals. It should not take current practice as a given.
 - Once the mission has been thus defined, personnel decisions should be based on the relationship between the resulting unit work-load and the work-force now deployed to do the job. If the Department sets a target for personnel reductions (e.g., 25 percent department-wide reductions), that target should be met by comparing work-load to work-force in each unit, rather than by imposing an arbitrary uniform reduction on all units.
 - Program and administrative consolidation should only be undertaken when the expected result is greater program coordination and consistency.

- Do not use reorganization as a way to overcome programmatic deficiencies or solve personnel problems. Too many reorganizations are undertaken as a "cover" to downgrade or isolate certain individuals or units and/or as an alternative to dealing directly with programmatic weaknesses.
- Consider the disruptive effect of organizational change. In some cases the benefits of the proposed reorganization may not justify the disruption in agency effectiveness. It is not necessary to propose a major reorganization simply to justify the time spent studying a unit's organizational needs.
- Because the budget is the single most important planning document and management tool, implementation of Zero Based Budgeting is a major reorganization initiative. It must be taken seriously by you and your career budget and program staffs.

PROBLEM: Lack of a commonly agreed to set of reorganization priorities and lack of a clear division of responsibilities make it difficult for OMB and the Departments to work together effectively, and difficult for you and the White House staff to measure reorganization progress or provide overall direction.

Recommendation: Direct OMB to prepare a memorandum which would:

- o Define overall reorganization priorities and establish an exact timetable and sequence for delivery of the reorganization plans to Congress.
- o Spell out a clearer division of responsibilities between OMB and the Departments.
- o Include a work plan outlining how OMB will address the basic cross-cutting problems such as civil service reform, creation of a federal accounting system, implementation of Zero Based Budgeting, reform of federal aid administration and improvement of federal planning and statistical policy capability.
- o List the functional problem areas which OMB considers too inter-agency in nature to permit designation of a lead Department for reorganization purposes.

Direct that the OMB memorandum go through the PRM process.
Doing this would:

- o Give the Departments their first real opportunity to participate in the development of an overall plan for reorganization, including the division of responsibilities between the Departments and OMB;
- o Give you a chance for the first time to review the overall pattern of reorganization activities and approve or disapprove proposed priorities. So far, you have only been asked to react to proposed reorganization activities in series, without a chance to weigh the opportunity costs of undertaking one project versus another;
- o Use the PRM process in the way it was intended -- as a device to assure the full collaboration of all interested White House staff and Cabinet members in the development of options presented to you in a way which makes an informed Presidential decision possible.

THE WHITE HOUSE
WASHINGTON

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input checked="" type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION
FYI

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<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	LIPSHUTZ
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<input type="checkbox"/>	LANCE
<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
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<input type="checkbox"/>	WARREN

THE WHITE HOUSE

WASHINGTON

Date: August 24, 1977

MEMORANDUM

FOR ACTION:

Tim Kraft - a *Hasbed*

FOR INFORMATION:

Fran Voorde

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Campbell memo dated 8/24/77 re invitation to conference
by Dean of University of Texas on 9/25/77.
Attendance of E. Rostow at tomorrow's bill signing
ceremony.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME:

DAY:

IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

8/24/77

Fran Voorde -

The attached is forwarded to you
for appropriate handling.

Rick Hutcheson

Re: National Conference
9/24-27 in Texas

THE WHITE HOUSE

WASHINGTON

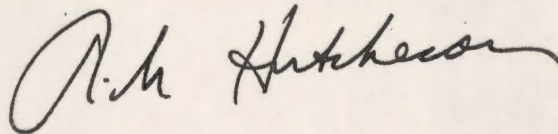
August 24, 1977

MEMORANDUM FOR
THE HONORABLE ALAN K. CAMPBELL
Chairman, United States Civil Service Commission

Re: National Conference - September 24-27
"A National Policy Toward Regional Change:
Alternatives to Confrontation"

Thank you for forwarding the information concerning the above Conference.

Your memorandum has been forwarded to Tim Kraft for review as a possible Presidential schedule item. You will be hearing directly from him.

A handwritten signature in dark ink, appearing to read "Rick Hutcheson", with a stylized, flowing script.

Rick Hutcheson
Staff Secretary

Date: August 24, 1977

MEMORANDUM

FOR ACTION:

Tim Kraft

FOR INFORMATION:

Fran Voorde

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Campbell memo dated 8/24/77 re invitation to conference by Dean of University of Texas on 9/25/77. Attendance of E. Rostow at tomorrow's bill signing ceremony.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME:

DAY:

IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

☒ Your comments

Other:

1) I think we ought to get to Texas some time this year

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

2) this event might be one of the 'safer' ways to go down there - It's probably worth a special trip option memo from me, for his consideration

TH

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



CHAIRMAN

UNITED STATES CIVIL SERVICE COMMISSION

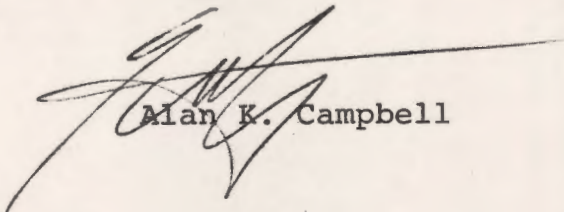
WASHINGTON, D. C. 20415

August 24, 1977

MEMORANDUM FOR Rick Hutcheson
Staff Secretary
The White House

I think it would be very useful politically to the President if he could accept the invitation described in the attached memo.

Incidentally, the new Dean of the LBJ School, Elspeth Rostow, will attend the Presidential Intern signing tomorrow and, if she gets the opportunity, she may mention the conference to the President.



Alan K. Campbell

Attachment



CHAIRMAN

UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D. C. 20415

August 24, 1977

MEMORANDUM TO THE PRESIDENT

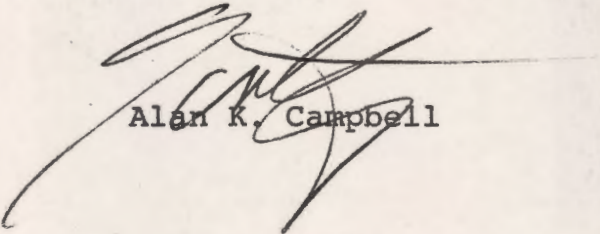
During my brief time at the LBJ School at the University of Texas, I helped organize a national conference on "A National Policy Toward Regional Change: Alternatives to Confrontation" which is sponsored by the University and the LBJ Library and will be held September 24-27. As the title indicates, the conference will focus on the public policy implications of the shift of population and economic activity from the Northeast and Midwest to the Southeast, Southwest, and far West. As you know, these shifts are dramatically influencing employment patterns, investment, energy use, state-local fiscal conditions and regional politics.

The conference is divided in two parts. The first two days (September 24-25) will be experts' sessions devoted to papers prepared by the top academic and research scholars in this field. I will chair these sessions and present the opening paper. The second two days (September 26-27) will be public sessions in which major governmental and business leaders will make talks and participate in panels. Among those who have agreed to participate are: Governors Carey, Thompson, Briscoe, and Boren; business leaders Felix Rhoatyn, Leonard Yasseen, and James Howell; Mayors Hofheinz and Hatcher. There will be many more than these, but the significance of the conference is indicated, I believe, by this list.

The President of the University of Texas, Lorene Rogers, wrote you some weeks ago inviting you to make the conference keynote speech on Sunday evening, September 25. I very much hope you will be able to accept this invitation. There are, I believe, several reasons that your appearance will serve the country's interests: the issues which the

conference will cover are important and need careful attention if regional antagonisms are to be lessened; the attitudes in Texas about the energy program will make a visit by you to that State very useful; and it will provide you an opportunity to highlight the White House conference to be held in January on "Balanced National Growth and Economic Development."

If you can attend, Mrs. Lady Bird Johnson has asked me to extend to you a cordial invitation to stay overnight at "the ranch."



Alan K. Campbell